

# TAX RETURN FILING INSTRUCTIONS

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

FOR THE YEAR ENDING  
SEPTEMBER 30, 2018

<b>Prepared for</b>	ST. LUKE'S MCCALL, LTD. 190 E. BANNOCK BOISE, ID 83712
<b>Prepared by</b>	DELOITTE TAX LLP 250 EAST FIFTH STREET, STE 1900 CINCINNATI, OH 45202
<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 **990**

**Return of Organization Exempt From Income Tax**  
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

OMB No. 1545-0047

**2017**

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

Do not enter social security numbers on this form as it may be made public.  
Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

**A For the 2017 calendar year, or tax year beginning** OCT 1, 2017 **and ending** SEP 30, 2018

<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 McCall, Ltd.		<b>D</b> Employer identification number 27-3311774
	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	
	190 E. Bannock		<b>G</b> Gross receipts \$ 45,428,214.
City or town, state or province, country, and ZIP or foreign postal code Boise, ID 83712		<b>H(a)</b> Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<b>F</b> Name and address of principal officer: Pamela Lindemoen same as C above		<b>H(b)</b> Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No	
<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		If "No," attach a list. (see instructions)	
<b>J</b> Website: <a href="http://www.stlukesonline.org">www.stlukesonline.org</a>		<b>H(c)</b> Group exemption number	
<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: 2010	<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>	18
	<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b)	<b>4</b>	11
	<b>5</b> Total number of individuals employed in calendar year 2017 (Part V, line 2a)	<b>5</b>	0
	<b>6</b> Total number of volunteers (estimate if necessary)	<b>6</b>	79
	<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>	7,458.	
<b>Revenue</b>	<b>8</b> Contributions and grants (Part VIII, line 1h)	<b>Prior Year</b>	<b>Current Year</b>
	<b>9</b> Program service revenue (Part VIII, line 2g)	553,027.	467,648.
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d)	39,854,019.	43,590,238.
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	137,732.	-166,787.
	<b>12</b> Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	88,005.	89,785.
<b>Expenses</b>	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1-3)	40,632,783.	43,980,884.
	<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4)	10,604.	10,054.
	<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)	0.	0.
	<b>b</b> Total fundraising expenses (Part IX, column (D), line 25)	198,418.	
	<b>17</b> Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	37,208,774.	37,714,108.
	<b>18</b> Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	37,219,378.	37,724,162.
<b>19</b> Revenue less expenses. Subtract line 18 from line 12	3,413,405.	6,256,722.	
<b>Net Assets or Fund Balances</b>	<b>20</b> Total assets (Part X, line 16)	<b>Beginning of Current Year</b>	<b>End of Year</b>
	<b>21</b> Total liabilities (Part X, line 26)	36,015,357.	44,609,953.
	<b>22</b> Net assets or fund balances. Subtract line 21 from line 20	2,803,931.	5,210,517.
		33,211,426.	39,399,436.

**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 Rebecca Lyons	Preparer's signature <i>Rebecca Lyons</i>	Date 8/7/2019
	Firm's name Deloitte Tax LLP	Firm's EIN 86-1065772	Check if self-employed <input type="checkbox"/> PTIN P01487105
	Firm's address 250 East Fifth Street, STE 1900 Cincinnati, OH 45202	Phone no. (513) 784-7100	

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 [X]

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 [X] No

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? [ ] Yes [X] 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 \$ 28,399,006. including grants of \$ 10,054. ) (Revenue \$ 36,419,326. ) Medical and Surgical

Services at St. Luke's McCall include a 24-hour emergency department, outpatient surgery, orthopedic surgery, general surgery, diagnostics, maternity services, inpatient physical therapy, intensive care and medical/surgical units. During fiscal year 2018, St. Luke's McCall provided patient care for 699 admissions covering 1,617 patient days. They also provided patient care associated with 23,392 outpatient visits.

4b (Code: ) (Expenses \$ 5,591,723. including grants of \$ ) (Revenue \$ 7,170,912. ) Physician Services

St. Luke's McCall has two physician clinics:

(1) Payette Lakes Medical Clinic has twelve family medicine physicians, and eight family medicine P.A.'s and N.P.'s who collectively completed 24,392 clinic visits in fiscal year 2018.

(2) McCall Medical Clinic has nine family medicine physicians, three wound & hyperbarics medicine physicians, two wound & hyperbarics P.A.'s and N.P.'s, two urology medicine physicians, one internal medicine physician, one general surgeon, one orthopedic surgeon and one

4c (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )

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

4e Total program service expenses 33,990,729.

**Part IV Checklist of Required Schedules**

	Yes	No
<b>1</b> Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i> .....	X	
<b>2</b> Is the organization required to complete <i>Schedule B, Schedule of Contributors?</i> .....	X	
<b>3</b> Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i> .....		X
<b>4 Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i> .....		X
<b>5</b> Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i> .....		X
<b>6</b> Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i> .....		X
<b>7</b> Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i> .....		X
<b>8</b> Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i> .....		X
<b>9</b> Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i> .....		X
<b>10</b> Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i> .....		X
<b>11</b> If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
<b>a</b> Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i> .....	X	
<b>b</b> Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i> .....		X
<b>c</b> Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i> .....		X
<b>d</b> Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i> .....	X	
<b>e</b> Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i> .....	X	
<b>f</b> Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i> .....	X	
<b>12a</b> Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i> .....		X
<b>b</b> Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i> .....	X	
<b>13</b> Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i> .....		X
<b>14a</b> Did the organization maintain an office, employees, or agents outside of the United States? .....		X
<b>b</b> Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i> .....		X
<b>15</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i> .....		X
<b>16</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i> .....		X
<b>17</b> Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i> .....		X
<b>18</b> Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i> .....		X
<b>19</b> Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i> .....		X

**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

X

Table with columns for question numbers (1a-14b), Yes, and No. Contains various tax compliance questions and their corresponding 'Yes' or 'No' responses.

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 [X]

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include: 1a Enter the number of voting members of the governing body at the end of the tax year; 1b Enter the number of voting members included in line 1a, above, who are independent; 2 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?; 3 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?; 4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?; 5 Did the organization become aware during the year of a significant diversion of the organization's assets?; 6 Did the organization have members or stockholders?; 7a 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?; 7b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?; 8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following: a The governing body? b Each committee with authority to act on behalf of the governing body?; 9 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.

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

Table with 3 columns: Question, Yes, No. Rows include: 10a Did the organization have local chapters, branches, or affiliates?; 10b 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?; 11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?; 11b Describe in Schedule O the process, if any, used by the organization to review this Form 990.; 12a Did the organization have a written conflict of interest policy? If "No," go to line 13; 12b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?; 12c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done; 13 Did the organization have a written whistleblower policy?; 14 Did the organization have a written document retention and destruction policy?; 15 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?; 15a The organization's CEO, Executive Director, or top management official; 15b Other officers or key employees of the organization; 16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?; 16b 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

Table with 2 columns: Question, Answer. Rows include: 17 List the states with which a copy of this Form 990 is required to be filed; 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. [X] Own website [ ] Another's website [X] 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, Controller - 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) Bayo Crownson, MD Director	2.00 44.00	X					0.	286,613.	33,449.	
(2) Bishop Brian Thom Director	2.00 6.00	X					0.	0.	0.	
(3) Catherine Reynolds, MD Director	2.00 6.00	X					0.	0.	0.	
(4) Chris Keller, MD Director	2.00 6.00	X					0.	0.	0.	
(5) Cliff Tenley, MD Director	2.00 46.00	X					0.	364,164.	43,620.	
(6) Mr. A.J. Balukoff Chairman	2.00 6.00	X		X			0.	0.	0.	
(7) Mr. Darin DeAngeli Director	2.00 6.00	X					0.	0.	0.	
(8) Mr. Dean Hovdey Director	2.00 6.00	X					0.	0.	0.	
(9) Mr. George Illif Director	2.00 6.00	X					0.	0.	0.	
(10) Mr. Lloyd Knight Director	2.00 6.00	X					0.	0.	0.	
(11) Mr. Mark Robinson Director	2.00 6.00	X					0.	0.	0.	
(12) Mr. Mike Mooney Director	2.00 6.00	X					0.	0.	0.	
(13) Mr. Paul Lodge Director	2.00 6.00	X					0.	0.	0.	
(14) Mr. Ron Sali Director	2.00 6.00	X					0.	0.	0.	
(15) Ms. Jill Calhoun Director	2.00 6.00	X					0.	0.	0.	
(16) Ms. Kami Faylor Director	2.00 6.00	X					0.	0.	0.	
(17) Ms. Kathy Moore CEO-St. Luke's West Reg	2.00 52.00	X		X			0.	705,397.	36,740.	



**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. Pamela Lindemoen Vice-President of Acute Care	2.00 52.00	X		X				0.	0.	0.
(19) Mr. Jeffrey S. Taylor SR VP/CFO/Treasurer	2.00 52.00			X				0.	1,093,667.	229,872.
(20) Ms. Christine Neuhoff VP/Legal Affairs/Secretary	2.00 52.00			X				0.	566,210.	33,512.
(21) Sean McCallister Site Administrator	40.00 0.00				X			0.	194,888.	34,834.
(22) Amy Ocmand, MD Physician	40.00 0.00					X		0.	359,892.	18,281.
(23) David Hall, MD Physician	40.00 0.00					X		0.	337,367.	41,363.
(24) Gregory W. Irvine, MD Physician	40.00 0.00					X		0.	605,666.	36,740.
(25) Jonathan Currey, MD Physician	40.00 0.00					X		0.	326,224.	22,693.
(26) Patrick Kinney, MD Physician	40.00 0.00					X		0.	316,254.	23,831.
<b>1b Sub-total</b>								0.	5,156,342.	554,935.
<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.	5,156,342.	554,935.

**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
Anesthesia Associates Of Boise, 2537 W State St, Suite 200, Boise, ID 83702-	Physician Services	541,167.
Jordan Wilcomb Construction 406 South 6th Street, Boise, ID 83702-	Construction Services	105,487.

**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 **2**

**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>	252,411.				
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above	<b>1f</b>	215,237.				
	<b>g</b> Noncash contributions included in lines 1a-1f: \$						
	<b>h Total.</b> Add lines 1a-1f			467,648.			
<b>Program Service Revenue</b>	<b>2 a</b> Net Patient Revenue	<b>Business Code</b> 900099	40,436,208.	40,436,208.			
	<b>b</b> Taxing District Revenue	900099	1,277,996.	1,277,996.			
	<b>c</b> Regional Allocation Re	900099	1,234,900.	1,234,900.			
	<b>d</b> Contract Service Rev	900099	572,173.	572,173.			
	<b>e</b> Other Income	900099	60,515.	60,515.			
	<b>f</b> All other program service revenue	900099	8,446.	8,446.			
	<b>g Total.</b> Add lines 2a-2f			43,590,238.			
<b>Other Revenue</b>	<b>3</b> Investment income (including dividends, interest, and other similar amounts)		111,790.			111,790.	
	<b>4</b> Income from investment of tax-exempt bond proceeds						
	<b>5</b> Royalties						
	<b>6 a</b> Gross rents	(i) Real	900.				
		(ii) Personal					
		<b>b</b> Less: rental expenses	0.				
		<b>c</b> Rental income or (loss)	900.				
	<b>d</b> Net rental income or (loss)		900.			900.	
	<b>7 a</b> Gross amount from sales of assets other than inventory	(i) Securities	1,060,077.				
		(ii) Other	108,676.				
		<b>b</b> Less: cost or other basis and sales expenses	1,058,990.	388,340.			
		<b>c</b> Gain or (loss)	1,087.	-279,664.			
	<b>d</b> Net gain or (loss)		-278,577.			-278,577.	
	<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		722514	88,885.			88,885.	
	<b>b</b>						
	<b>c</b>						
	<b>d</b> All other revenue						
	<b>e Total.</b> Add lines 11a-11d			88,885.			
<b>12 Total revenue.</b> See instructions.			43,980,884.	43,590,238.	0.	-77,002.	

**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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
<b>1</b> Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21	10,054.	10,054.		
<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				
<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				
<b>8</b> Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
<b>9</b> Other employee benefits				
<b>10</b> Payroll taxes				
<b>11</b> Fees for services (non-employees):				
<b>a</b> Management	1,078,194.	1,076,663.		1,531.
<b>b</b> Legal	99.		99.	
<b>c</b> Accounting				
<b>d</b> Lobbying				
<b>e</b> Professional fundraising services. See Part IV, line 17				
<b>f</b> Investment management fees	26,871.	26,871.		
<b>g</b> Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	121,211.	85,806.	35,405.	
<b>12</b> Advertising and promotion	1,153.		310.	843.
<b>13</b> Office expenses	386,919.	372,719.	13,419.	781.
<b>14</b> Information technology	2,386,595.	2,386,595.		
<b>15</b> Royalties				
<b>16</b> Occupancy	389,991.	389,566.	425.	
<b>17</b> Travel	157,331.	127,119.	28,531.	1,681.
<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	2,417,284.	2,333,308.	83,976.	
<b>23</b> Insurance				
<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> Allocated Wages	20,564,657.	17,692,188.	2,705,407.	167,062.
<b>b</b> Supplies	4,769,271.	4,668,831.	92,837.	7,603.
<b>c</b> Allocated SLHS Exp	3,431,874.	3,431,874.		
<b>d</b> Repairs	742,952.	266,029.	475,862.	1,061.
<b>e</b> All other expenses	1,239,706.	1,123,106.	98,744.	17,856.
<b>25</b> Total functional expenses. Add lines 1 through 24e	37,724,162.	33,990,729.	3,535,015.	198,418.
<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)		(B)
		Beginning of year		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>	845,480.
	<b>3</b> Pledges and grants receivable, net .....		<b>3</b>	
	<b>4</b> Accounts receivable, net .....	5,321,485.	<b>4</b>	5,930,730.
	<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 .....	950,262.	<b>8</b>	932,756.
	<b>9</b> Prepaid expenses and deferred charges .....	875,330.	<b>9</b>	838,669.
	<b>10a</b> Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D .....	<b>10a</b> 17,771,866.		
	<b>b</b> Less: accumulated depreciation .....	<b>10b</b> 8,868,819.	9,003,542.	<b>10c</b> 8,903,047.
	<b>11</b> Investments - publicly traded securities .....	4,316,348.	<b>11</b>	3,489,533.
	<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 .....	22,407.	<b>14</b>	
	<b>15</b> Other assets. See Part IV, line 11 .....	15,525,983.	<b>15</b>	23,669,738.
<b>16 Total assets.</b> Add lines 1 through 15 (must equal line 34) .....	36,015,357.	<b>16</b>	44,609,953.	
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses .....	1,047,813.	<b>17</b>	1,489,322.
	<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 .....	1,756,118.	<b>25</b>	3,721,195.
	<b>26 Total liabilities.</b> Add lines 17 through 25 .....	2,803,931.	<b>26</b>	5,210,517.
<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 .....	33,211,426.	<b>27</b>	39,399,436.
	<b>28</b> Temporarily restricted net assets .....		<b>28</b>	
	<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 .....	33,211,426.	<b>33</b>	39,399,436.	
<b>34</b> Total liabilities and net assets/fund balances .....	36,015,357.	<b>34</b>	44,609,953.	

**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>	43,980,884.
<b>2</b>	Total expenses (must equal Part IX, column (A), line 25)	<b>2</b>	37,724,162.
<b>3</b>	Revenue less expenses. Subtract line 2 from line 1	<b>3</b>	6,256,722.
<b>4</b>	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	<b>4</b>	33,211,426.
<b>5</b>	Net unrealized gains (losses) on investments	<b>5</b>	-68,712.
<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>	39,399,436.

**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** (2017)



**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) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(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) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(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 2017 (line 6, column (f) divided by line 11, column (f)) .....	14	%
<b>15</b> Public support percentage from 2016 Schedule A, Part II, line 14 .....	15	%
<b>16a 33 1/3% support test - 2017.</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 - 2016.</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 - 2017.</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 - 2016.</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 10 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) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(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) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(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 2017 (line 8, column (f) divided by line 13, column (f)) .....	<b>15</b>	%
<b>16</b> Public support percentage from 2016 Schedule A, Part III, line 15 .....	<b>16</b>	%

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

<b>17</b> Investment income percentage for 2017 (line 10c, column (f) divided by line 13, column (f)) .....	<b>17</b>	%
<b>18</b> Investment income percentage from 2016 Schedule A, Part III, line 17 .....	<b>18</b>	%

**19a 33 1/3% support tests - 2017.** 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 - 2016.** 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 12 on Part I. If you checked 12a of Part I, complete Sections A and B. If you checked 12b of Part I, complete Sections A and C. If you checked 12c of Part I, complete Sections A, D, and E. If you checked 12d 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 12a or 12b 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>b</b> A family member of a person described in (a) above?		
<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>11a</b>		
<b>11b</b>		
<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>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>1</b>		
<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>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>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>1</b>		
<b>2</b>		
<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.		Yes	No
<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.			
<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>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>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>2a</b>			
<b>2b</b>			
<b>3a</b>			
<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 (explain in Part VI.) **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>			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).		

Schedule A (Form 990 or 990-EZ) 2017

**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 2017 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-2017	(iii) Distributable Amount for 2017
<b>1</b> Distributable amount for 2017 from Section C, line 6			
<b>2</b> Underdistributions, if any, for years prior to 2017 (reasonable cause required- explain in <b>Part VI</b> ). See instructions.			
<b>3</b> Excess distributions carryover, if any, to 2017			
<b>a</b>			
<b>b</b> From 2013			
<b>c</b> From 2014			
<b>d</b> From 2015			
<b>e</b> From 2016			
<b>f Total</b> of lines 3a through e			
<b>g</b> Applied to underdistributions of prior years			
<b>h</b> Applied to 2017 distributable amount			
<b>i</b> Carryover from 2012 not applied (see instructions)			
<b>j</b> Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
<b>4</b> Distributions for 2017 from Section D, line 7: \$			
<b>a</b> Applied to underdistributions of prior years			
<b>b</b> Applied to 2017 distributable amount			
<b>c</b> Remainder. Subtract lines 4a and 4b from 4.			
<b>5</b> Remaining underdistributions for years prior to 2017, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in <b>Part VI</b> . See instructions.			
<b>6</b> Remaining underdistributions for 2017. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in <b>Part VI</b> . See instructions.			
<b>7 Excess distributions carryover to 2018.</b> Add lines 3j and 4c.			
<b>8</b> Breakdown of line 7:			
<b>a</b> Excess from 2013			
<b>b</b> Excess from 2014			
<b>c</b> Excess from 2015			
<b>d</b> Excess from 2016			
<b>e</b> Excess from 2017			

Schedule A (Form 990 or 990-EZ) 2017

**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.)

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.  
▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for the latest information.

OMB No. 1545-0047

# 2017

Name of the organization

St. Luke's McCall, Ltd.

Employer identification number

27-3311774

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. Don't 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 isn't covered by the General Rule and/or the Special Rules doesn't 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 doesn't 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) (2017)

Name of organization  St. Luke's McCall, Ltd.	Employer identification number  27-3311774
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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/>	\$ 129,089.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
2	<hr/> <hr/> <hr/> <hr/>	\$ 123,322.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
3	<hr/> <hr/> <hr/> <hr/>	\$ 7,658.	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.)

Name of organization  St. Luke's McCall, Ltd.	Employer identification number  27-3311774
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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 McCall, Ltd.	Employer identification number  27-3311774
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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
<b>(e) Transfer of gift</b>			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
<b>(e) Transfer of gift</b>			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
<b>(e) Transfer of gift</b>			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
<b>(e) Transfer of gift</b>			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
<b>(e) Transfer of gift</b>			
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.**

▶ **Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.**

OMB No. 1545-0047

**2017**

**Open to Public Inspection**

**Name of the organization** St. Luke's McCall, Ltd. **Employer identification number** 27-3311774

**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.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year .....		
2 Aggregate value of contributions to (during year) .....		
3 Aggregate value of grants from (during year) .....		
4 Aggregate value at end of year .....		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? .....		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? .....		<input type="checkbox"/> Yes <input type="checkbox"/> No

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

1 Purpose(s) of conservation easements held by the organization (check all that apply).

Preservation of land for public use (e.g., recreation or education)       Preservation of a historically important land area

Protection of natural habitat       Preservation of a certified historic structure

Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements .....	2a
b Total acreage restricted by conservation easements .....	2b
c Number of conservation easements on a certified historic structure included in (a) .....	2c
d Number of conservation easements included in (c) acquired after 7/25/06, and not on a historic structure listed in the National Register .....	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ \_\_\_\_\_

4 Number of states where property subject to conservation easement is located ▶ \_\_\_\_\_

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? .....

Yes  No

6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ \_\_\_\_\_

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ \$ \_\_\_\_\_

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? .....

Yes  No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

**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.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenue included on Form 990, Part VIII, line 1 .....

▶ \$ \_\_\_\_\_

(ii) Assets included in Form 990, Part X .....

▶ \$ \_\_\_\_\_

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenue included on Form 990, Part VIII, line 1 .....

▶ \$ \_\_\_\_\_

b Assets included in Form 990, Part X .....

▶ \$ \_\_\_\_\_

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

Schedule D (Form 990) 2017

**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	88,405.	169,054.		257,459.
b Buildings		8,695,466.	4,502,398.	4,193,068.
c Leasehold improvements				
d Equipment		7,196,951.	4,366,421.	2,830,530.
e Other		1,621,990.		1,621,990.
<b>Total.</b> Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				8,903,047.

**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	23,669,738.
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	23,669,738.

**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) AP MEDICARE-MEDICAID PROG	3,721,195.
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	3,721,195.

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:

Footnote Disclosure-Uncertain Tax Positions Under ASC 740 (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 positions that should

be recorded.

**Part XIII** Supplemental Information (continued)

Unrelated Business Income: The Health System is subject to federal excise tax on its unrelated business taxable income (UBTI). As of September 30, 2018, the Health System had approximately \$8,701 of UBTI net operating losses from operating losses incurred from 1999 to 2018, which expire in years 2019 to 2039. 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

**2017**

Department of the Treasury  
Internal Revenue Service

- ▶ Complete if the organization answered "Yes" on Form 990, Part IV, question 20.
- ▶ Attach to Form 990.
- ▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

Open to Public Inspection

Name of the organization **St. Luke's McCall, Ltd.** Employer identification number **27-3311774**

**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 free 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 checked="" type="checkbox"/> 200% <input type="checkbox"/> Other _____ %		
<b>b</b> Did the organization use FPG as a factor in determining eligibility for providing discounted 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) .....			1,241,855.	0.	1,241,855.	3.29%
<b>b</b> Medicaid (from Worksheet 3, column a) .....			2,134,216.	1,856,343.	277,873.	.74%
<b>c</b> Costs of other means-tested government programs (from Worksheet 3, column b) .....			279,302.	289,993.	0.	.00%
<b>d Total</b> Financial Assistance and Means-Tested Government Programs .....			3,655,373.	2,146,336.	1,519,728.	4.03%
<b>Other Benefits</b>						
<b>e</b> Community health improvement services and community benefit operations (from Worksheet 4) .....			357,711.	158,448.	199,263.	.53%
<b>f</b> Health professions education (from Worksheet 5) .....			423,071.	0.	423,071.	1.12%
<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) .....			69,619.	0.	69,619.	.18%
<b>j Total.</b> Other Benefits .....			850,401.	158,448.	691,953.	1.83%
<b>k Total.</b> Add lines 7d and 7j .....			4,505,774.	2,304,784.	2,211,681.	5.86%







**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 McCall

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"/> The impact of any actions taken to address the significant health needs identified in the hospital facility's prior CHNA(s)		
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 16</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 McCall

		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>200</u> % and FPG family income limit for eligibility for discounted care of <u>400</u> %		
<b>b</b>	<input checked="" 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>	Was widely publicized 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 8</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 8</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 8</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"/> Individuals were notified about the FAP by being offered a paper copy of the plain language summary of the FAP, by receiving a conspicuous written notice about the FAP on their billing statements, and via conspicuous public displays or other measures reasonably calculated to attract patients' attention		
<b>h</b>	<input checked="" 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"/> The FAP, FAP application form, and plain language summary of the FAP were translated into the primary language(s) spoken by LEP populations		
<b>j</b>	<input checked="" type="checkbox"/> Other (describe in Section C)		

Schedule H (Form 990) 2017

**Part V Facility Information** (continued)

**Billing and Collections**

Name of hospital facility or letter of facility reporting group St. Luke's McCall

	Yes	No
<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 nonpayment? .....	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"/> Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP		
<b>d</b> <input type="checkbox"/> Actions that require a legal or judicial process		
<b>e</b> <input type="checkbox"/> Other similar actions (describe in Section C)		
<b>f</b> <input checked="" type="checkbox"/> None of these actions or other similar actions were permitted		
<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"/> Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP		
<b>d</b> <input type="checkbox"/> Actions that require a legal or judicial process		
<b>e</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"/> Provided a written notice about upcoming ECAs (Extraordinary Collection Action) and a plain language summary of the FAP at least 30 days before initiating those ECAs		
<b>b</b> <input checked="" type="checkbox"/> Made a reasonable effort to orally notify individuals about the FAP and FAP application process		
<b>c</b> <input checked="" type="checkbox"/> Processed incomplete and complete FAP applications		
<b>d</b> <input checked="" type="checkbox"/> Made presumptive eligibility determinations		
<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)		

**Part V Facility Information** *(continued)*

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

Name of hospital facility or letter of facility reporting group St. Luke's McCall

		Yes	No
<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 a look-back method based on claims allowed by Medicare fee-for-service during a prior 12-month period		
<b>b</b>	<input checked="" type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period		
<b>c</b>	<input type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicaid, either alone or in combination with Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period		
<b>d</b>	<input type="checkbox"/> The hospital facility used a prospective Medicare or Medicaid method		
<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? ..... If "Yes," explain in Section C.		X
<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? ..... If "Yes," explain in Section C.		X

Schedule H (Form 990) 2017

**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, 16j, 18e, 19e, 20e, 21c, 21d, 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.

St. Luke's McCall:

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.

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

**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, 16j, 18e, 19e, 20e, 21c, 21d, 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.

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.

Community Representatives Contacted

1. U.S. Department of Veterans Affairs' Boise VA Medical Center
2. Family Medicine Residency of Idaho
3. Idaho Department of Health and Welfare
4. Idaho Central District Health, District 4
5. Southwest District Health, Idaho District 3
6. Idaho Department of Labor
7. Idaho Health and Welfare
8. Cascade Medical Center
9. St. Luke's Health System
10. McCall Donnelly School District
11. Adams County Health Center (FQHC)
12. The Community Care Clinic
13. McCall Rehab and Care 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, 16j, 18e, 19e, 20e, 21c, 21d, 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.

14. Valley County

15. McCall-Donnelly School District

16. City of McCall

17. Hiking for Healthy Hooters Event

18. McCall Donnelly School District

19. Adams County Health Center

26. Meadows Valley Ambulance

27. Lamm and Company Certified Public Accountants

28. New Meadows Food Bank

29. McCall Senior Center and Payette Lakes Community Association -

After-School Programs

30. St. Luke's McCall Medical Center

St. Luke's McCall:

Part V, Section B, Line 11: We organized our significant health needs

into the following groups:

Group #1: Improve the Prevention and Management of Obesity

Group #2: Improve Mental Health and Reduce Substance Abuse

Group #3: Improve Access to Affordable Health Care and Affordable

Health Insurance

Group #4: Prevent and Reduce Tobacco Use

Next we looked at how to best address each significant health need. To

make this determination, we focused on resources available and whether the

health need was in alignment with St. Luke's mission and strengths. Where

a significant health need was in alignment with our mission and strengths,



**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, 16j, 18e, 19e, 20e, 21c, 21d, 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 developed our own programs and/or collaborated with community-based

organizations to address the health need. We have provided a list of

implementation plan programs designed to address our significant health

needs below:

Group #1: Improve the Prevention and Management of Obesity

1. Develop a Short and Long Term, Region-Wide Plan to Promote Walkability

and Destination Hiking

2. Promote a Healthy Food Culture

3. Best U

4. Education classes on various nutrition, weight management and exercise

topics

Group #2: Improve Mental Health and Reduce Substance Abuse

5. Youth Advocacy Coalition: Prevention of Youth Drug Abuse

6. Providing Alternative Healthcare Stress Reduction and Mindfulness

Modalities (Yoga, Meditation, Ear Acupuncture)

7. Slate of single classes on various mental health topics

8. Workforce Wellness Programs (Walking, nutrition, mental resilience)

9. Youth Summits

10. Committed: High school program promoting kindness and drug avoidance

Group #3: Improve Access to Affordable Health Care and Affordable Health

Insurance

11. Unreimbursed Care/ Financial Care

12. Senior Foot Clinics

13. Fostering a Culture of Health (economic, social, environmental,

**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, 16j, 18e, 19e, 20e, 21c, 21d, 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.

behavioral)

14. Leading and Administering Valley County Health Improvement Coalition

15. Grant writing for Health Improvement Programs

16. Prevention and Screenings for Chronic Conditions

17. Childbirth Ed

18. Child Care Seat

19. Nutrition and Fitness Programs for Schools

20. Free Community Health Improvement Services Offered at Clinic

Group #4: Prevent and Reduce Tobacco Use

21. Planning Best Tobacco Prevention Interventions for Service Area

22. School Base Tobacco Prevention Educations

St. Luke's McCall:

Part V, Section B, Line 13b: Financial Care: Eligible applicants will

receive the following assistance:

1. Full Discount: The full amount for eligible services will be covered

under the Financial Care Policy for any uninsured or underinsured patient

or guarantor, whose combination of household income and assets is at or

below 200 percent of the federal poverty level. 2. Partial Discount: A

sliding fee schedule will be used to determine the amount eligible for

financial care assistance for any uninsured or underinsured patient or

guarantor. For such applicants, assistance will be provided based on a

combination of household income and assets. Partial discounts will be

provided if the combination of income and assets is greater than 200

percent but equal to or less than 400 percent of the FPL. Assistance is

**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, 16j, 18e, 19e, 20e, 21c, 21d, 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.

granted only after all third-party reimbursement possibilities available

to the applicant have been exhausted.

3. If the patient balance exceeds 30 percent of household income, patients

will qualify for a one-time reduction.

St. Luke's McCall

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 McCall

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 McCall

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 McCall:

Part V, Section B, Line 16j: A Financial Care application is provided to

the patient which contains Patient Financial Advocate contact information.

**Part V Facility Information** (continued)

**Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility**

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

How many non-hospital health care facilities did the organization operate during the tax year? 6

Name and address	Type of Facility (describe)
1 St. Luke's Clinic 209 Forest St. McCall, ID 83638	General Surgery, Internal Medicine, Wound Center
2 St. Luke's Clinic 200 Forest St McCall, ID 83638	Orthopedic Surgery and Sleep medicine
3 St. Luke's Clinic 211 Forest St. McCall, ID 83638	Family Medicine, Nephrology
4 St. Luke's Clinic 301 Deinhard Lane McCall, ID 83638	Behavioral Health and Integrative Medicine
5 St. Luke's Clinic Meadows Valley 320 Virginia St. New Meadows, ID 83638	Family Medicine
6 St. Luke's Clinic Salmon River 214 N. Main St. Riggins, ID 83549	Family Medicine

**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 7:

The cost to charge ratio was used to calculate the financial assistance provided to the community. Other Community benefits come from a data repository maintained by St. Luke's Employees that tracks community benefit costs and hours.

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

**Part VI** Supplemental Information (Continuation)

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 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

**Part VI** Supplemental Information (Continuation)

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 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.

**Part VI** Supplemental Information (Continuation)

(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 II, Community Building Activities:

St. Luke's is an active participant in the community, and provides support

to address public health issues, and works with coalitions to address

local health needs. St. Luke's takes on initiatives as need arises to

help the long term development of the community particularly to shape and

improve public health and access to medical services.

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 has a very robust financial assistance program, therefore, no

estimate is made for bad debt attributable to patients eligible under the

financial assistance policy.

Part III, Line 4:

Per the audited financial statements in footnote four. St. Luke's grants

credit without collateral to its patients, most of whom are local



**Part VI** Supplemental Information (Continuation)

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:

The source of the information is the Medicare Cost Report for fiscal year 2018. The amount is calculated by comparing the total Medicare apportioned costs (allowable costs) to interim payments received during FY'18.

St. Luke's provides medical care to all patients eligible for Medicare regardless of the shortfall and thereby relieves the Federal Government of the burden for paying the full cost of Medicare.

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 9/30/2015. Information related to the 2015 CHNA is shown in the

**Part VI** Supplemental Information (Continuation)

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:

[www.stlukesonline.org/about-st-lukes/supporting-the-community](http://www.stlukesonline.org/about-st-lukes/supporting-the-community)

Part VI, Line 3:

(A) St. Luke's McCall, Ltd. 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

**Part VI** Supplemental Information (Continuation)

days of receiving a completed application and the required supporting documentation.

Part VI, Line 4:

Adams and Valley Counties represent the geographic area used to define the community served by St. Luke's McCall. The area is a 65 mile radius around the city of McCall, and it includes six small rural communities (McCall, Cascade, Council, New Meadows, Donnelly, and Riggins) and surrounding residents. The year-round residents total approx. 14,000. Additionally, this being a tourist and second home area, on average, there are 6,000 visitors and part-time residents in the service area each day. The service area had one of the highest unemployment rates in Idaho during most of fiscal year 2012, and one of the highest uninsured rates in Idaho as well. (Adams and Valley counties are part of Idaho Health Districts 3 and 4.)

The criteria used in selecting this area as the community served is to include the entire population of the counties where at least 70% of inpatients reside. The residents of these counties comprise about 80% of inpatients with approximately 62% of inpatients living in Valley County and 18% in Adams County.

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 4% of our defined service area. Adams County is approximately 3% Hispanic, and Valley County is 4% Hispanic.

Idaho experienced a 25% increase in population from 2000 to 2013, ranking

**Part VI** Supplemental Information (Continuation)

it as one of fastest growing states in the country. Adams and Valley

Counties have followed that trend, experiencing a 21% increase in

population within that timeframe. St. Luke's McCall 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 plus year old age group was the fastest

growing segment of our community. Currently, about 19% of the people in

our community are over the age of 65. According to the U.S. Census, about

14% of the people in the U.S. are over age 65

The official United States poverty rate increased from 12.5% in 2003 to

15.6% in 2013. Our service area poverty rate has also increased. The

poverty rate in Valley County is currently well below the national average

at 12% but above the national average in Adams County. The poverty rate in

our community for children under the age of 18 is again below the national

average for Valley County and above the national average for Adams County.

Although both Adams and Valley county poverty rates have started to level

out, they are still well above where they were prior to the recession in

2008.

Median income in the United States has risen by 20% since 2003. However,

growth in income was slower in Idaho and in our service area during that

period. Median income in Adams County is well below the national median

and lower than Idaho's median income. Median income in Valley County is

slightly lower than the national median income.

Part VI, Line 5:

**Part VI** Supplemental Information (Continuation)

The people who serve on the various boards for subsidiaries within the St. Luke's Health System are local citizens who have a vested interest in the health of their communities. These committed leaders volunteer on our boards because they are dedicated to ensuring that the people of southern Idaho and the surrounding area have access to the most advanced, most comprehensive health care possible. St. Luke's believes that locally owned and governed hospitals can take the best measure of community health care needs. We are grateful to our board leadership for giving generously of their time and talents and bringing to the table their unique perspectives and intimate knowledge of their communities. St. Luke's would not be the organization it is today without our volunteer board members. The vision of dedicated community leaders has guided St. Luke's for many decades, and will continue to guide us well into the future.

As a not-for-profit organization, 100% of St. Luke's revenue after expenses is reinvested in the organization to serve the community in the form of staff, buildings, or new technology.

Also, St. Luke's McCall, Ltd. maintains an open medical staff. Any physician can apply for practicing privileges as long as they meet the standards for St. Luke's McCall, Ltd.

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 the communities we serve." Working together, we share resources, skills, and knowledge to provide the best possible care, no matter which

**Part VI** Supplemental Information (Continuation)

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 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 Children's Hospital
- St. Luke's Boise/Meridian/Caldwell/Fruitland Physician Clinics
- 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)

**Part VI** Supplemental Information (Continuation)

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

--Various Physician clinics in Jerome

(4) St. Luke's McCall, Ltd. which consists of a critical access hospital located in McCall, Idaho as well as various physician clinics.

(5) St. Luke's Nampa Medical Center, Ltd. which consists of a critical access hospital located in Nampa, Idaho as well as various physician clinics.

(6) 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.

**Part VI** Supplemental Information (Continuation)

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

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)**

Department of the Treasury  
Internal Revenue Service

**Compensation Information**

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

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

▶ Attach to Form 990.

▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

OMB No. 1545-0047

**2017**

Open to Public Inspection

Name of the organization

St. Luke's McCall, Ltd.

Employer identification number

27-3311774

**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 (such as, 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 on 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" on 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 nonfixed 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" on 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) 2017

**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 aren't 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) Bayo Crownson, MD Director	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	246,646.	25,725.	14,242.	14,756.	18,693.	320,062.	0.
(2) Cliff Tenley, MD Director	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	279,174.	58,668.	26,322.	24,612.	19,008.	407,784.	0.
(3) Ms. Kathy Moore CEO-St. Luke's West Reg	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	634,773.	0.	70,624.	16,356.	20,384.	742,137.	0.
(4) Mr. Jeffrey S. Taylor SR VP/CFO/Treasurer	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	637,583.	0.	456,084.	207,704.	22,168.	1,323,539.	0.
(5) Ms. Christine Neuhoff VP/Legal Affairs/Secretary	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	540,972.	0.	25,238.	16,356.	17,156.	599,722.	0.
(6) Sean McCallister Site Administrator	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	194,226.	0.	662.	8,214.	26,620.	229,722.	0.
(7) Amy Ocmamd, MD Physician	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	214,263.	110,091.	35,538.	11,869.	6,412.	378,173.	0.
(8) David Hall, MD Physician	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	229,527.	82,598.	25,242.	24,125.	17,238.	378,730.	0.
(9) Gregory W. Irvine, MD Physician	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	530,102.	30,000.	45,564.	16,356.	20,384.	642,406.	0.
(10) Jonathan Currey, MD Physician	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	228,786.	79,452.	17,986.	11,412.	11,281.	348,917.	0.
(11) Patrick Kinney, MD Physician	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	229,756.	86,012.	486.	12,228.	11,603.	340,085.	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 McCall, Ltd. 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 St. Luke's McCall, Ltd.

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'17, the following individual participated in a supplemental non-qualified executive retirement plan:



**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.

▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for the latest information.

OMB No. 1545-0047

**2017**

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Inspection

Name of the organization St. Luke's McCall, Ltd.	Employer identification number 27-3311774
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Form 990, Part III, Line 4b, Program Service Accomplishments:

orthopedic P.A. who collectively completed 5,033 clinic visits in  
fiscal year 2018.

Form 990, Part VI, Section A, line 6:

St. Luke's Health System, Ltd. is the sole member of St. Luke's McCall,  
Ltd.

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

St. Luke's McCall (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 Regional Medical Center, Ltd.  
(Corporation), which in turn is the governing board for St. Luke's McCall,  
Ltd. (SLM). Effective April 1, 2014, the Corporation became the fiduciary  
board over SLM. In addition, SLM maintains a community board to ensure the  
overall health needs of the community are addressed. The chairperson of  
this community board also serves on the SLRMC governing board.

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:

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

Schedule O (Form 990 or 990-EZ) (2017)

732211 09-07-17

Name of the organization St. Luke's McCall, Ltd.	Employer identification number 27-3311774
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(a) Amendment to the Articles of Incorporation;

(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:

Name of the organization St. Luke's McCall, Ltd.	Employer identification number 27-3311774
---	--

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

(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;

Name of the organization St. Luke's McCall, Ltd.	Employer identification number 27-3311774
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(g) The dissolution of the Corporation;

(h) Incurrence of debt by or for the Corporation in accordance with 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 11b:

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 V, Lines 1 & 2

Accounts payable and payroll process are consolidated at the supporting organization level (St. Luke's Health System, Ltd). Therefore, corresponding reporting for 1099's and W-2's occurs at that level.

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



Name of the organization St. Luke's McCall, Ltd.	Employer identification number 27-3311774
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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:

Executive compensation is set by St. Luke's Board 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 targeting overall compensation of the executive group at the 50th percentile of those surveyed. These surveys are usually done every two years, with the most recent compensation survey completed during calendar year 2017.

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:

Name of the organization St. Luke's McCall, Ltd.	Employer identification number 27-3311774
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- 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
- 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 is available for public inspection our website, which contains financial information.

Form 990, Part VI, Section B, Line 15:  
Executive compensation is set by St. Luke's boards of directors and is

Name of the organization St. Luke's McCall, Ltd.	Employer identification number 27-3311774
---	--

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 2018.

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.

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Name of the organization St. Luke's McCall, Ltd.	Employer identification number 27-3311774
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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 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:
- Pam Lindemoen:
  - 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.

Name of the organization St. Luke's McCall, Ltd.	Employer identification number 27-3311774
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St. Luke's Clinic Coordinated Care, Ltd.

St. Luke's Nampa Medical Center, Ltd.

Kathy Moore:

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 Health Foundation, 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.

St. Luke's Nampa Medical Center, Ltd.

Chris Roth:

St. Luke's Health System, Ltd.

St. Luke's Health Foundation, Ltd.

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

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

St. Luke's Clinic Coordinate Care, 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.

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

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

Name of the organization St. Luke's McCall, Ltd.	Employer identification number 27-3311774
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St. Luke's Clinic Coordinated Care, Ltd.

St. Luke's Nampa Medical Center, 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.

St. Luke's Nampa Medical Center, Ltd.

Bayo Crownson, M.D.

St. Luke's Regional Medical Center, Ltd.

Mountain States Tumor Institute, Inc.

St. Luke's McCall, Ltd.

St. Luke's Nampa Medical Center, Ltd.

Ron Jutzy, M.D.

St. Luke's Regional Medical Center, Ltd.

Mountain States Tumor Institute, Inc.

St. Luke's McCall, Ltd.

St. Luke's Nampa Medical Center, Ltd.

Cliff Tenley, MD

St. Luke's Regional Medical Center, Ltd.

Mountain States Tumor Institute, Inc.

Name of the organization St. Luke's McCall, Ltd.	Employer identification number 27-3311774
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St. Luke's McCall, Ltd.

St. Luke's Nampa Medical Center, Ltd.

Catherine Reynolds, M.D.

St. Luke's Regional Medical Center, Ltd.

Mountain States Tumor Institute, Inc.

St. Luke's McCall, Ltd.

St. Luke's Nampa Medical Center, Ltd.

In addition, Catherine Reynolds, M.D. is a member of Syringa Family  
 Medicine, P.A., (Syringa) a physician practice that has a professional  
 service agreement with St. Luke's Regional Medical Center, Ltd.  
 (SLRMC). Dr. Reynolds works at least 40 hours per week on behalf of  
 this practice for SLRMC. During CY'17, SLRMC paid Syringa \$161,166 for  
 services rendered to St. Luke's patients.

**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.

▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

OMB No. 1545-0047

**2017**

**Open to Public  
Inspection**

Name of the organization St. Luke's McCall, Ltd. Employer identification number 27-3311774

**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-McCall, LLC - 45-2715717 190 E. Bannock Boise, ID 83712	Physician Clinic Services	Idaho	7,815,628.	268,158.	St. Luke's McCall, 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
Mountain States Tumor Institute, Inc - 82-0295026, 190 E. Bannock, Boise, ID 83712	Healthcare Services	Idaho	501(c)(3)	3	St. Luke's Regional Medical Center		X
St. Luke's Clinic Coordinated Care, Ltd. - 45-5195864, 190 E. Bannock, Boise, ID 83712	Accountable Care Organization	Idaho	501(c)(3)	10	St. Luke's Health Foundation, 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
St. Luke's Health System, Ltd. - 56-2570681 190 E. Bannock Boise, ID 83712	Supporting Organization	Idaho	501(c)(3)	12C, III-FI	n/a		X

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

Schedule R (Form 990) 2017





**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.

	Yes	No
<b>1</b> 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?		
<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) St. Luke's Health Foundation, Ltd.	C	97,729.	Donations Specified for St. Luke'
(2)			
(3)			
(4)			
(5)			
(6)			





# Application for Automatic Extension of Time To File an Exempt Organization Return

Department of the Treasury  
Internal Revenue Service

▶ **File a separate application for each return.**

▶ **Information about Form 8868 and its instructions is at [www.irs.gov/form8868](http://www.irs.gov/form8868) .**

**Electronic filing (e-file).** You can electronically file Form 8868 to request a 6-month automatic extension of time to file any of the forms listed below with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, for which an extension request must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit [www.irs.gov/efile](http://www.irs.gov/efile), click on Charities & Non-Profits, and click on e-file for Charities and Non-Profits.

**Automatic 6-Month Extension of Time.** Only submit original (no copies needed).

All corporations required to file an income tax return other than Form 990-T (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

	Enter filer's identifying number	
<b>Type or print</b>	Name of exempt organization or other filer, see instructions.  St. Luke's McCall, Ltd.	Employer identification number (EIN) or  27-3311774
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. 190 E. Bannock	Social security number (SSN)
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. Boise, ID 83712	

Enter the Return Code for the return that this application is for (file a separate application for each return) 0 1

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

Peter Didio, Vice-President, Controller

- The books are in the care of ▶ 190 E. Bannock - Boise, ID 83712  
Telephone No. ▶ 208-706-9585 Fax No. ▶ \_\_\_\_\_
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_. If this is for the whole group, check this box . If it is for part of the group, check this box  and attach a list with the names and EINs of all members the extension is for.

**1** I request an automatic 6-month extension of time until August 15, 2019, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

- ▶  calendar year \_\_\_\_\_ or
- ▶  tax year beginning OCT 1, 2017, and ending SEP 30, 2018.

**2** If the tax year entered in line 1 is for less than 12 months, check reason:  Initial return  Final return  Change in accounting period

<b>3a</b> If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	<b>3a</b>	\$	0.
<b>b</b> If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	<b>3b</b>	\$	0.
<b>c Balance due.</b> Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	<b>3c</b>	\$	0.

**Caution:** If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

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

Consolidated Financial Statements as of and for the  
Years Ended September 30, 2018 and 2017, 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, 2018 and 2017, 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 auditors' 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, 2018 and 2017, 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.

*Deloitte & Touche LLP*

December 14, 2018

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

**Consolidated Balance Sheets  
As of September 30, 2018 and 2017  
(In thousands)**

	<b>2018</b>	<b>2017</b>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 121,358	\$ 155,606
Receivables—net	319,592	315,335
Inventories	36,117	29,975
Prepaid expenses	24,028	24,229
Current portion of assets whose use is limited	<u>45,103</u>	<u>68,368</u>
<b>Total current assets</b>	<b>546,198</b>	<b>593,513</b>
Assets whose use is limited		
Property, plant, and equipment—net	1,172,471	1,177,924
Other assets	<u>91,653</u>	<u>93,486</u>
<b>Total assets</b>	<b><u>\$2,480,011</u></b>	<b><u>\$2,409,933</u></b>
<b>Liabilities and net assets</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 179,045	\$ 150,798
Compensation and related liabilities	222,503	195,967
Estimated payable to Medicare and Medicaid programs	60,473	70,060
Current portion of long-term debt and capital lease obligations	<u>10,001</u>	<u>32,754</u>
<b>Total current liabilities</b>	<b>472,022</b>	<b>449,579</b>
Long-term debt		
Long-term capital lease obligations	842,761	798,183
Pension liabilities	49,620	68,836
Other liabilities	57,699	69,714
	2,508	2,290
Net assets		
Unrestricted	1,001,227	972,134
Temporarily restricted	38,975	35,264
Permanently restricted	<u>15,199</u>	<u>13,933</u>
<b>Total net assets</b>	<b>1,055,401</b>	<b>1,021,331</b>
<b>Total liabilities and net assets</b>	<b><u>\$2,480,011</u></b>	<b><u>\$2,409,933</u></b>

See notes to consolidated financial statements.

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

**Consolidated Statements of Operations and Changes in Net Assets  
For the Years Ended September 30, 2018 and 2017  
(In thousands)**

	<b>2018</b>	<b>2017</b>
<b>Revenues</b>		
Patient service revenue (net of contractual allowances and discounts)	\$1,821,612	\$1,756,276
Less provision for bad debts	<u>(87,597)</u>	<u>(89,633)</u>
Net patient service revenue	1,734,015	1,666,643
Capitated revenue	763,289	601,018
Other revenue (including rental income)	111,146	63,767
Net assets released from restrictions—operating	<u>(5,492)</u>	<u>(4,351)</u>
<b>Total revenues</b>	<b>2,602,958</b>	<b>2,327,077</b>
<b>Expenses</b>		
Employee compensation and benefits	1,223,426	1,161,152
Supplies and drugs	381,076	338,525
Medical claims	360,785	302,171
Other operating expenses	<u>436,043</u>	<u>375,576</u>
<b>Total operating expenses</b>	<b><u>2,401,330</u></b>	<b><u>2,177,424</u></b>
<b>Earnings before interest, depreciation and amortization</b>	<b>201,628</b>	<b>149,653</b>
Depreciation and amortization	146,291	139,079
Interest	<u>34,916</u>	<u>31,824</u>
<b>Net operating income (loss)</b>	<b>20,421</b>	<b>(21,250)</b>
Investment income	13,771	8,974
Loss on early extinguishment of debt	<u>(9,283)</u>	<u>-</u>
<b>Revenue in excess (deficit) of expenses from continuing operations</b>	<b>24,909</b>	<b>(12,276)</b>
Noncontrolling loss	<u>(413)</u>	<u>(533)</u>
<b>Revenue in excess (deficit) of expenses from continuing operations—net of noncontrolling interest</b>	<b>24,496</b>	<b>(12,809)</b>
Loss from discontinued operations	<u>-</u>	<u>(13,934)</u>
<b>Revenue in excess (deficit) of expenses</b>	<b><u>\$ 24,496</u></b>	<b><u>\$ (26,743)</u></b>

See notes to consolidated financial statements.

	2018	2017
<b>Unrestricted net assets</b>		
Revenue in excess (deficit) of expenses from continuing operations	\$ 24,909	\$ (12,276)
Change in unrestricted net assets from noncontrolling interests	(1,699)	(843)
Change in net unrealized gains on investments	439	15,553
Net assets released from restrictions—capital	976	782
Other components of net periodic pension cost	(4,014)	(7,226)
Change in funded status of pension plan	<u>8,482</u>	<u>22,351</u>
<b>Increase in unrestricted net assets before discontinued operations</b>	<u>29,093</u>	<u>18,341</u>
Loss from discontinued operations	-	(13,934)
<b>Increase in unrestricted net assets</b>	<u>29,093</u>	<u>4,407</u>
<b>Temporarily restricted net assets</b>		
Contributions	10,249	8,862
Investment income	490	2,208
Change in net unrealized gains on investments	487	(505)
Other changes in net assets	(1,057)	(1,460)
Net assets released from restrictions	<u>(6,458)</u>	<u>(5,115)</u>
<b>Increase in temporarily restricted net assets</b>	<u>3,711</u>	<u>3,990</u>
<b>Permanently restricted net assets</b>		
Contributions	219	271
Other changes in net assets	1,057	1,460
Net assets released from restrictions	<u>(10)</u>	<u>(18)</u>
<b>Increase in permanently restricted net assets</b>	<u>1,266</u>	<u>1,713</u>
<b>Increase in net assets</b>	34,070	10,110
Net assets—Beginning of year	<u>1,021,331</u>	<u>1,011,221</u>
Net assets—End of year	<u>\$1,055,401</u>	<u>\$1,021,331</u>

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

**Consolidated Statement of Cash Flows  
For the Years Ended September 30, 2018 and 2017  
(In thousands)**

	<b>2018</b>	<b>2017</b>
<b>Cash flows from operating activities:</b>		
<b>Increase in net assets</b>	\$ 34,070	\$ 24,044
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	146,291	139,079
Net realized (gain) loss on investments	(962)	1,673
Unrealized loss on investments	(926)	(15,048)
Equity earnings from investment in joint ventures	(374)	-
Amortization of deferred financing fees	4,053	673
Restricted contributions received	(10,467)	(9,133)
Loss on disposition of equipment and other assets	3,880	598
Change in other components of net periodic pension cost	4,014	7,226
Change in funded status of pension plans	(8,482)	(22,351)
Changes operating in assets and liabilities:		
Receivables	(5,017)	(4,171)
Inventories	(6,142)	(820)
Prepaid expenses and other current assets	200	1,627
Other assets	(15,629)	(13,372)
Accounts payable and accrued liabilities	25,193	14,570
Compensation and related liabilities	26,536	31,252
Payable to Medicare and Medicaid programs	(9,016)	(1,806)
Other liabilities	(6,947)	(6,120)
<b>Net cash provided by operating activities</b>	<b>180,275</b>	<b>147,921</b>
<b>Cash flows from investing activities:</b>		
Acquisition of property, plant, equipment and land	(162,243)	(184,777)
Proceeds from disposition of equipment and other assets	19,115	1,549
Purchase of investments (includes purchases with restricted funds)	(911,731)	(1,027,850)
Change in restricted funds	(33,353)	59,860
Proceeds from sale of investments	857,155	1,094,671
Distributions from joint ventures	3,700	-
Capital contributed to unconsolidated joint ventures	(14,816)	-
<b>Net cash used in investing activities</b>	<b>(242,173)</b>	<b>(56,547)</b>

See notes to consolidated financial statements.

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	2018	2017
<b>Cash flows from financing activities:</b>		
Repayment of long-term debt	\$ (30,909)	\$ (16,946)
Advances on lines of credit	52,169	97,735
Repayment on lines of credit	(61,677)	(92,202)
Proceeds from contributions for temporarily restricted net assets	10,248	8,863
Proceeds from contributions for endowment funds	219	270
Proceeds from long term debt issuance	68,671	-
Proceeds from long term debt issuance premium	17,611	-
Cost of issuance on long term debt	(3,439)	-
Loss on early extinguishment of debt	(9,283)	-
Payments on notes payable	<u>(15,960)</u>	<u>(3,993)</u>
<b>Net cash provided by (used in) financing activities</b>	27,650	(6,273)
<b>Cash flows from discontinued operations:</b>		
Operating activities of discontinued operations	-	(2,032)
Investing activities of discontinued operations	<u>-</u>	<u>(3,625)</u>
<b>Net cash used in discontinued operations</b>	-	(5,657)
<b>Net (decrease) increase in cash</b>	(34,248)	79,444
<b>Cash—Beginning of year</b>	<u>155,606</u>	<u>76,162</u>
<b>Cash—End of year</b>	<u>\$ 121,358</u>	<u>\$ 155,606</u>
<b>Supplemental cash flow information:</b>		
Purchase of property, plant and equipment in accounts payable and accrued liabilities	<u>\$ 8,700</u>	<u>\$ 6,027</u>

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

### Notes to the Consolidated Financial Statements As of and for the Years Ended September 30, 2018 and 2017 (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 comprehensive integrated healthcare services throughout the communities it serves.

The Health System provides patient services, including outpatient and inpatient, rehabilitation services and physician services. The Health System's primary hospitals and patient service areas are located within the State of Idaho in or surrounding the cities of Boise, Meridian, Nampa, Twin Falls, Mountain Home, McCall, Jerome, and Ketchum and have other facilities and operations throughout Southern Idaho and Eastern Oregon.

The Health System's wholly owned subsidiary, St. Luke's Health Partners, is a financially and clinically-integrated network that allows independent physicians and facilities to partner with the Health System. St. Luke's Health Partners is organized to assume financial and clinical accountability in capitated arrangements. These arrangements include governmental and commercial payers, as well as self-funded employers. Under these arrangements, St. Luke's Health Partners is accountable for the management of health outcomes and medical spend for defined populations through value-based agreements with payers.

The Health System's general offices and corporate functions are located in Boise, Idaho. The Health System is governed by volunteer boards made up of local citizens.

**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. As of and for the years ended September 30, 2018 and 2017, certain line items within the consolidated financial statements have been either expanded or condensed for presentation purposes only. These changes were made consistently for both current and prior-year balances, thus maintaining comparative financial presentation.

**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 judgments that affect the amounts reported in the consolidated financial statements. The Health System considers critical accounting estimates to be those that require more significant judgments and estimates in the preparation of its consolidated financial statements, including the following: contractual allowances for uncollectible accounts receivable, 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; medical claims incurred but not yet reported; and potential settlements with the Medicare and Medicaid programs.

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 integrated 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, 2017 the Health System completed the sales transaction of 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>2018</b>	<b>2017</b>
Less than one year	\$ 2,340	\$ 2,348
One to five years	1,498	1,114
More than five years	<u>          -</u>	<u>          5</u>
	3,838	3,467
Less allowance for estimated uncollectible accounts	<u>          85</u>	<u>          70</u>
Total pledges receivable	<u><u>\$ 3,753</u></u>	<u><u>\$ 3,397</u></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, 2018 and 2017, the Health System had book overdrafts of \$7,147 and \$6,824, respectively, 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 net realizable value.

**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 classified as available for sale and recorded at fair value using settlement date accounting. Realized 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, 2018 and 2017.

**Equity Method Investment**—The Health System owns a membership interest of 49.5% in Broadway Park Holdings, LLC. The Health System accounts for its investment in this entity using the equity method and records the investment at cost. The Health System's investment in this entity was \$11,554 as of September 30, 2018. The Health System's investment in the entity is increased by additional contributions to the entity as well as its proportionate share of earnings in the entity. Conversely, the Health System's investment is decreased by distributions made to the Health System and by its proportionate share of losses. During the year ended September 30, 2018, the Health System recognized equity earnings from the investment in this entity of \$438.

**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.

**Other Assets**—Other assets includes land and buildings held for future investment or future expansion, goodwill and other non-limited use 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 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 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, 2018. In addition, impairment reviews are performed whenever circumstances indicate a possible impairment may exist.

**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, including estimated adjustments under reimbursement agreements with third-party payors when services are rendered. As final settlements are made and estimates are revised, the differences are reflected in current operations.

**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 \$45,135 and \$44,030 in 2018 and 2017, 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>2018</b>	<b>2017</b>
Estimated unpaid costs of services provided under Medicare, Medicaid, and county indigency programs	\$ 325,395	\$ 330,980
Estimated benefit of services to support broader community needs	52,709	51,742

**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 expected impact of positions taken on income tax returns. 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, 2018, the Health System had approximately \$8,701 of UBTI net operating losses from operating losses incurred from 1999 to 2018, which expire in years 2019 to 2039. 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.

**Capitated Revenue**—Capitated revenue represents contractual revenue from value-based arrangements at St. Luke’s Health Partners, where financial responsibility is assumed for services provided to enrollees by other institutional health care providers. In these arrangements, a settlement amount is calculated based on medical claims experience as compared to budget targets based on contractual terms. Capitated revenue is recognized during the period for which institutional providers are obligated to provide health services to enrollees. Settlements are accrued during the period in which the related services are rendered. Losses expected under the contract period in value-based arrangements are recognized when it is probable that expected medical claim expense exceeds future capitated revenue.

Reserves for incurred but not reported medical claims have been established for the unpaid costs of health care services covered under the value-based arrangements. The reserves are estimated based on actuarial analysis, historical experience, and payment trends. Subsequent actual claims experience will differ from the estimated reserve due to variances in estimated and actual utilization of health care services. As final settlements are made and estimates are revised, the differences are reflected in current operations.

St. Luke's Health Partners bears full performance exposure on all significant value-based arrangements, with the exception of the Next Generation ACO program which is capped at plus or minus 10% of the capitated funding. St. Luke's Health Partners purchased provider excess loss coverage for this program. All other value-based arrangements include reinsurance purchased by the sponsoring payer, and is netted within medical claims expense related to the arrangement.

**Adopted Accounting Pronouncements**—On October 1, 2017, the Health System early adopted ASU No. 2017-07, *“Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost.”* This guidance requires entities to present the newly defined service costs within income from operations, and all other net periodic benefit costs as a change in unrestricted net assets. The adoption of this guidance requires retrospective presentation, which resulted in a decrease in employee compensation and benefits and a corresponding increase in other components of net periodic pension cost on the Consolidated Statements of Operations and Changes in Net Assets for the years ended September 30, 2018 and 2017 in the amounts of \$4,014 and \$7,226, respectively. For comparability, the changes for both years were also reflected in the Consolidated Statement of Cash Flows.

On October 1, 2017, the Health System adopted ASU No. 2017-02, *“Not-for-profit Entities-Consolidations.”* This guidance clarifies when a not-for-profit entity that is a general partner or a limited partner should consolidate a for-profit limited partnership or similar entity. This guidance amends ASU No. 2015-02, *“Consolidation (Topic 810).”* Adoption of this amended guidance did not impact the consolidated financial statements.

**Forthcoming Accounting Pronouncements**—In January 2016, Financial Accounting Standards Board (“FASB”) issued ASU No. 2016-01, *“Recognition and Measurement of Financial Assets and Financial Liabilities,”* as well as amended technical guidance through ASU No. 2018-03, *“Technical Corrections and improvements of financial Instruments-Overall (Subtopic 825-10).”* These updates revise 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. They also amend 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 onto the consolidated balance sheet. In July 2018, FASB issued ASU No. 2018-10 *“Codification Improvements to Topic 842, “Leases”.* This guidance effects narrow aspects of the guidance issued in ASU No. 2016-02. In July 2018, FASB issued ASU No. 2018-11 *“Leases (Topic 842).”* This guidance provides targeted improvements to the guidance issued in ASU No. 2016-02. This guidance provides entities with an additional (and optional) transition method to adopt the new lease standard. The guidance will be 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 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 consolidated financial statements.

In May 2016, 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 for fiscal year 2019. The Health System established a cross-functional implementation team consisting of representatives from various departments. Extensive analysis has been completed as to the impact of the standard on our various revenue streams, including the review of current contracts, accounting policies, and business practices to identify potential differences that would result from applying the requirements of the new standard. The Health System is in the process of making appropriate changes to business processes and controls to support recognition and disclosure under the new standard. The Health System is substantially complete with the analysis, but is still evaluating the impact this guidance will have on the consolidated 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 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.

In November 2016, the FASB issued ASU No. 2016-18 *“Restricted Cash”* which adds and clarifies guidance in the presentation of changes in restricted cash on the statement of cash flows requiring restricted cash to be included with cash and cash equivalents in the statement of cash flows. This guidance does not provide a definition of restricted cash. 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 the consolidated statements of cash flows.

In June 2018, the FASB issued ASU No. 2018-08 *“Not-for-Profit Entities (Topic 958).”* This guidance provides clarification for not-for-profit entities on the accounting for contributions received and contributions made. Specifically, providing guidance on evaluating contributions versus exchange transactions and determining whether a contribution is conditional. 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 2018, FASB issued No. 2018-13 *“Fair Value Measurement (Topic 820).”* This guidance provides changes to the disclosure requirements for fair value measurements in *“Topic 820, Fair Value Measurement”* to improve the effectiveness of the disclosures. This guidance will be effective for the Health System beginning October 1, 2020. The Health System is still evaluating the impact this guidance may have on its consolidated financial statements.

In August 2018, FASB issued No. 2018-14 *“Compensation—Retirement Benefits—Defined Benefit Plans—General (Subtopic 715-20).”* This guidance modifies the disclosure requirements for employers that sponsor defined benefit pension or other postretirement plans. This guidance will be effective for the Health System beginning October 1, 2021, and allows for early adoption. The Health System is still evaluating the impact this guidance may have on its consolidated financial statements.

In August 2018, FASB issued No. 2018-15 *“Intangibles-Goodwill and Other-Internal-Use Software (Subtopic 350-40).”* The amendments in this update provide guidance to help evaluate the accounting for fees paid in a cloud computing arrangement. This guidance will be effective for the Health System beginning October 1, 2020, and allows for early adoption. The Health System is still evaluating the impact this guidance may have on its consolidated financial statements.

## **2. 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 pay 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 was completed in 2017, the Health System has determined to treat the operations related to the medical practice as discontinued operations in the financial statements.

On May 1, 2017, in accordance with the Court order the Health System completed the sales transaction to divest of the named medical practice. Operations and assets of the medical practice were transferred to the new ownership and all contingencies directly related to the sale were settled as of September 30, 2017. As of September 30, 2018, all judgements, fees and insurance settlements relating to this matter have been monetarily resolved.

The major components of discontinued operations presented in the Consolidated Statement of Operations and Changes in Net Assets include the following:

	<b>2017</b>
Net patient service revenue (net of contractual allowances and discounts)	\$ 13,336
Less provision for bad debts	<u>(23)</u>
Net patient service revenue	13,359
Other revenue	<u>49</u>
Total unrestricted revenues, gains, and other support	13,408
Operating expenses	<u>15,904</u>
Net loss from discontinued operations	(2,496)
Net loss from divestiture	<u>(11,438)</u>
Total net loss	<u>\$ (13,934)</u>

There were no assets and liabilities held for sale presented in the Consolidated Balance Sheets as of September 30, 2018 and 2017.

### 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 Administrative Contractor (MAC). The Health System's classification of patients under the Medicare program and the appropriateness of their admission are subject to review by a peer review organization under contract with the MAC.



Centers for Medicare and Medicaid Services (CMS) has implemented a number of programs and requirements intended to transform Medicare from a passive payor to an active purchaser of quality goods and services. Hospitals that do not successfully participate in the Hospital Inpatient Quality Reporting Program are subject to an additional .25% reduction in fees. In addition, hospitals that do not demonstrate meaningful use of electronic health records (EHRs) are subject to an additional .75% reduction in fees.

Medicare Access and CHIP Reauthorization Act of 2015 (MACRA), requires the establishment of the Quality Payment Program (QPP), a payment methodology intended to reward high quality patient care. Beginning in 2017, physicians and certain other health care clinicians are required to participate in one of two QPP tracks. Under both tracks performance data in 2017 and 2018 will affect Medicare payments in 2019 and 2020, respectively.

**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 increased net patient service revenue by \$38,292 and \$10,708 for the years ended September 30, 2018 and 2017.

**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 Health 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>2018</b>	<b>2017</b>
Commercial payors, patients, and other	\$ 1,151,062	\$ 1,143,508
Medicare program	402,822	406,258
Medicaid program	<u>267,728</u>	<u>206,510</u>
	1,821,612	1,756,276
Less total provision for uncollectible accounts	<u>87,597</u>	<u>89,633</u>
	<u>\$ 1,734,015</u>	<u>\$ 1,666,643</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>2018</b>	<b>2017</b>
Commercial payors, patients, and other	\$ 298,452	\$ 279,333
Medicare program	79,729	77,599
Medicaid program	23,178	25,500
Non-patient	<u>35,613</u>	<u>29,165</u>
	436,972	411,597
Less total allowance	<u>117,380</u>	<u>96,262</u>
	<u>\$ 319,592</u>	<u>\$ 315,335</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>2018</b>	<b>2017</b>
Land	\$ 56,210	\$ 53,582
Buildings, land improvements, and fixed equipment	1,142,979	1,066,610
Major movable equipment and information technology	<u>817,047</u>	<u>777,118</u>
	<u>2,016,236</u>	<u>1,897,310</u>
Less accumulated depreciation:		
Buildings, land improvements, and fixed equipment	437,551	401,194
Major movable equipment and information technology	<u>584,908</u>	<u>499,951</u>
	<u>1,022,459</u>	<u>901,145</u>
	993,777	996,165
Construction in process	<u>178,694</u>	<u>181,759</u>
	<u>\$ 1,172,471</u>	<u>\$ 1,177,924</u>

Depreciation expense was \$146,218 and \$138,637 for the years ended September 30, 2018 and 2017, 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:

	2018	2017
Board designated funds:		
Cash and cash equivalents	\$ 2,996	\$ 15,368
Mutual funds	191,470	168,354
Corporate bonds, notes, mortgages and asset-backed securities	323,690	273,050
Government and agency securities	123,280	121,204
Interest receivable	1,972	1,783
Due to donor restricted and permanent endowment funds	<u>(48,268)</u>	<u>(44,201)</u>
	595,140	535,558
Less amounts classified as current assets	<u>(45,103)</u>	<u>(68,368)</u>
	<u>\$ 550,037</u>	<u>\$ 467,190</u>
Restricted funds:		
Cash and cash equivalents	\$ 67,631	\$ 13,231
Corporate bonds, notes, mortgages and asset-backed securities	-	3,550
Government and agency securities	<u>-</u>	<u>13,440</u>
	<u>\$ 67,631</u>	<u>\$ 30,221</u>
Permanent endowment funds—due from board designated funds	<u>\$ 15,199</u>	<u>\$ 13,933</u>
Donor restricted plant replacement and expansion funds and other specific purpose funds:		
Due from board designated funds	\$ 33,069	\$ 30,269
Pledges receivable	<u>3,753</u>	<u>3,397</u>
	<u>\$ 36,822</u>	<u>\$ 33,666</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>2018</b>	<b>2017</b>
Investment income:		
Interest income	\$ 12,809	\$ 10,647
Realized gain (loss) on sales of securities	<u>962</u>	<u>(1,673)</u>
	<u>\$ 13,771</u>	<u>\$ 8,974</u>
Change in net unrealized gain on investments	<u>\$ 439</u>	<u>\$ 15,553</u>

Prior to August 9, 2018, the 2008A bond obligation required the Health System to maintain a debt reserve fund to be used for the payment of principal and interest at maturity. As part of the debt issuance on August 9, 2018 the debt service fund in the amount of \$13,759 was released and applied towards the Series 2008A redemption on November 1, 2018.

Proceeds received from the Series 2014A Bonds are restricted to qualified expenditures related to projects 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, 2018 and 2017 was \$0 and \$3,570, respectively.

Proceeds from the Series 2018A and 2018B Bonds are restricted to qualified expenditures related to projects of the Health System. Funds are held by the Series 2018A Trustee in a Construction Fund with initial deposits of \$82,844 and the remaining balance as of September 30, 2018 was \$64,358.

## **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>2018</b>	<b>2017</b>
Equipment and expansion	\$ 22,938	\$ 21,536
Research and education	4,949	4,452
Charity and other	<u>11,088</u>	<u>9,276</u>
Total temporarily restricted net assets	38,975	35,264
Permanently restricted net assets	<u>15,199</u>	<u>13,933</u>
Total restricted net assets	<u>\$ 54,174</u>	<u>\$ 49,197</u>

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

	<b>September 30, 2018</b>		
	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
Donor-restricted endowment net assets	\$ -	\$ 15,199	\$ 15,199
Board-designated endowment net assets	<u>1,681</u>	<u>-</u>	<u>1,681</u>
Total endowment net assets	<u>\$ 1,681</u>	<u>\$ 15,199</u>	<u>\$ 16,880</u>

	<b>September 30, 2017</b>		
	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
Donor-restricted endowment net assets	\$ -	\$ 13,933	\$ 13,933
Board-designated endowment net assets	<u>2,326</u>	<u>-</u>	<u>2,326</u>
Total endowment net assets	<u>\$ 2,326</u>	<u>\$ 13,933</u>	<u>\$ 16,259</u>

Changes in endowment net assets during 2018 and 2017 are as follows:

	<b>September 30, 2018</b>		
	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
Endowment net assets—beginning of period	\$ 2,326	\$ 13,933	\$ 16,259
Investment returns	490	-	490
Unrealized losses	487	-	487
Contributions	5	219	224
Appropriation of endowment net assets for expenditure	-	(10)	(10)
Transfers to remove or add to board-designated endowment funds	<u>(1,627)</u>	<u>1,057</u>	<u>(570)</u>
Endowment net asset—end of period	<u>\$ 1,681</u>	<u>\$ 15,199</u>	<u>\$ 16,880</u>

	<b>September 30, 2017</b>		
	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
Endowment net assets—beginning of period	\$ 2,538	\$ 12,220	\$ 14,758
Investment returns	2,208	-	2,208
Unrealized gains	(505)	-	(505)
Contributions	5	271	276
Appropriation of endowment net assets for expenditure	-	(18)	(18)
Transfers to remove or add to board-designated endowment funds	<u>(1,920)</u>	<u>1,460</u>	<u>(460)</u>
Endowment net asset—end of period	<u>\$ 2,326</u>	<u>\$ 13,933</u>	<u>\$ 16,259</u>

## 8. Debt

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

	<b>2018</b>	<b>2017</b>
Obligations to Idaho Health Facilities Authority:		
Series 2018A Fixed Rate Bonds	\$ 165,505	\$ -
Series 2018A Fixed Rate Bond Premium	17,527	-
Series 2018B Taxable Fixed Rate Bonds	149,910	-
Series 2018C Variable Rate Revenue Bonds	73,760	-
Series 2018D Variable Rate Direct Purchase	70,000	-
Series 2018E Variable Rate Direct Purchase	63,090	-
Series 2014A Fixed Rate Bonds	165,395	165,705
Series 2014A Fixed Rate Bond Premium	9,146	9,505
Series 2012A Fixed Rate Bonds	75,000	75,000
Series 2012A Fixed Rate Bond Premium	613	658
Series 2012B Variable Rate Direct Purchase	-	61,365
Series 2012CD Variable Rate Direct Purchase	-	150,000
Series 2008A Fixed Rate Bonds	-	119,240
Series 2008A Fixed Rate Bond Discount	-	(2,803)
Series 2005 Fixed Rate Bonds	-	96,940
Series 2000 Fixed Rate Bonds	-	65,400
Series 2000 and Series 2005 Fixed Rate Bond Premium	-	3,851
Banc of America Public Capital Corp Equipment Financing	39,502	44,219
Capital lease obligations	51,210	72,309
Notes payable	26,017	34,791
Lines of credit and other short term borrowings	<u>1,497</u>	<u>11,006</u>
Total debt and capital leases	908,172	907,186
Less current portion	<u>10,001</u>	<u>32,754</u>
Total long term debt, excluding deferred financing costs	898,171	874,432
Deferred financing costs	<u>(5,790)</u>	<u>(7,413)</u>
Total long term debt and capital leases	<u>\$ 892,381</u>	<u>\$ 867,019</u>

As of September 30, 2018, the maturity schedule of long-term debt, excluding deferred financing costs, is as follows:

<b>Years Ending September 30</b>	<b>Long-Term Debt</b>	<b>Capital Lease</b>	<b>Total</b>
2019	\$ 8,410	\$ 3,608	\$ 12,018
2020	8,878	3,327	12,205
2021	12,270	3,394	15,664
2022	12,687	3,462	16,149
2023	35,755	3,531	39,286
Thereafter	<u>778,962</u>	<u>59,615</u>	<u>838,577</u>
	<u>\$ 856,962</u>	76,937	933,899
Less amount representing interest		<u>(25,727)</u>	<u>(25,727)</u>
		<u>\$ 51,210</u>	<u>\$ 908,172</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 2018 was 4.68%.

The Series 2000 Bonds outstanding balance of \$61,600 as of August 9, 2018, was refunded as part of the Series 2018A/B issuance with proceeds being deposited with the bond trustee to be used to defease bonds maturing on or prior to July 1, 2020; and to redeem, on July 1, 2020, all of the bonds maturing after July 1, 2020.

**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 2018 was 4.68%.

The Series 2005 Bonds outstanding balance of \$76,595 as of August 9, 2018, was refunded as part of the Series 2018A/B issuance with proceeds being deposited with the bond trustee to be used to defease bonds maturing on or prior to July 1, 2020; and to redeem, on July 1, 2020, all of the bonds maturing after July 1, 2020.

**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 2018 was 6.67%.

The Series 2008A Bonds outstanding balance of \$117,540 as of August 9, 2018, was refunded as part of the Series 2018A/B issuance with proceeds being deposited with the bond trustee to be used to defease the Series 2008A Bonds maturing on November 1, 2018; and to redeem, on November 1, 2018, all of the bonds maturing on and after November 1, 2019.

**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 2018 was 4.83%.

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). The interest payment dates, interest calculation methods, and terms, if any, upon which the Series 2012B Bonds 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 2018 was 2.39%.

The Series 2012B Bonds outstanding balance of \$57,145 as of August 9, 2018 was fully refunded as part of the Series 2018C/D/E issuance on August 9, 2018.

**Series 2012C**—Represents Variable Rate Direct Purchases with Wells Fargo Bank, 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). The interest payments, interest calculations methods, and terms, if any, upon which the Series 2012C Bonds 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 2018 was 2.21%.

The Series 2012C Bonds outstanding balance of \$75,000 as of August 9, 2018 was fully refunded as part of the Series 2018C/D/E issuance on August 9, 2018.

**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). The interest payments, interest calculations methods, and terms, if any, upon which the Series 2012D Bonds 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 2018 was 2.07%.

The Series 2012D Bonds outstanding balance of \$75,000 as of August 9, 2018 was fully refunded as part of the Series 2018C/D/E issuance on August 9, 2018.



**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 2018 was 4.81%.

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.

**Series 2018A**—Represents Fixed Rate Revenue Bonds, payable in annual installments ranging from \$995 to \$18,285 beginning March 2020 through March 2048. The Series 2018A Bonds bear interest at a fixed rate ranging from 4.00% 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 during 2018 was 4.82%.

The Series 2018A Bonds maturing on or after March 1, 2029 are subject to redemption prior to maturity at the option of the Health System. On any date the Series 2018A Bonds are subject to optional redemption at par, they may be converted to another interest rate mode at the option of the Health System upon compliance with certain conditions set forth in the bond documents.

**Series 2018B**—Represents taxable Fixed Rate Revenue Bonds, payable in annual installments ranging from \$7,705 to \$49,160 beginning March 2039 through March 2048. The Series 2018B Bonds bear interest at a fixed rate of 5.02% 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 during 2018 was 5.02%.

The Series 2018B Bonds are subject to redemption prior to maturity at the option of the Health System. The Series 2018B Bonds may be converted to another interest rate mode at the option of the Health System upon compliance with certain conditions set forth in the bond documents.

**Series 2018C**—Represents Variable Rate Revenue Bonds, payable in annual installments ranging from \$600 to \$6,000 beginning March 2026 through March 2048. The interest on the Series 2018C Bonds is payable monthly, as the Series 2018C Bonds are currently held in the Daily Mode and supported by an irrevocable direct pay letter of credit. At the option of the Health System, the Series 2018C Bonds may be converted to the Weekly Mode, Commercial Paper Mode, Adjustable Long Mode, Bank Loan Mode, Index Mode, FRN Rate Mode, Fixed Mode or another Daily Mode upon compliance with certain conditions set forth in the bond documents. The average interest rate during 2018 was 2.35%.

The Series 2018C Bonds are subject to redemption prior to maturity at the option of the Health System and, while in a Daily Mode or Weekly Mode, to optional tender by the bondholder. In the event of optional tender of the bonds, funds for repayment of the purchase price of the bonds are available from a letter of credit facility, which is scheduled to expire on August 8, 2023. As of September 30, 2018, the bonds were in the Daily Mode.

**Series 2018D**—Represents Variable Rate Direct Purchases, payable in annual installments ranging from \$555 to \$5,660 beginning March 2026 through March 2048. The interest on the Series 2018D Bonds is payable monthly, as the Series 2018D Bonds are currently held in the LIBOR Index Mode. At the conclusion of the initial LIBOR Index Mode (August 1, 2021) and at the

option of the Health System, the Series 2018D Bonds may be converted to the Daily Mode, Weekly Mode, Commercial Paper Mode, Adjustable Long Mode, Bank Loan Mode, another Index Mode, FRN Rate Mode, or the Fixed Mode upon compliance with certain conditions set forth in the bond documents. The average interest rate during 2018 was 2.58%.

**Series 2018E**—Represents Variable Direct Purchases, payable in annual installments ranging from \$500 to \$5,110 beginning March 2026 through March 2048. The interest on the Series 2018E Bonds is payable monthly, as the Series 2018E Bonds are currently held in the LIBOR Index Mode. At the conclusion of the initial LIBOR Index Mode (August 1, 2025) and at the option of the Health System, the Series 2018E Bonds may be converted to the Daily Mode, Weekly Mode, Commercial Paper Mode, Adjustable Long Mode, Bank Loan Mode, another Index Mode, FRN Rate Mode, or the Fixed Mode upon compliance with certain conditions set forth in the bond documents. The average interest rate during 2018 was 2.84%.

**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 18th, May 18th, August 18th, and November 18th.

**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%.

**Lines of Credit**—In March 2017, 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 March 1, 2021. 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 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. The outstanding balance as of September 30, 2018 and 2017 was \$0 and \$5,000, respectively.

The Health System carries insignificant unsecured credit balances with Wells Fargo Bank, N.A. for working capital strategy needs such as vendor payments and employee reimbursements. Principal amounts are paid in full on a monthly basis and no interest was incurred related to these balances for the years ended September 30, 2018 and 2017.

**Interest Costs**—During the years ended September 30, 2018 and 2017 the Health System incurred total interest costs of \$37,330 and \$36,445, respectively. During 2018 and 2017, \$2,414 and \$4,621, respectively, has been capitalized and is reflected as a component of property, plant, and equipment. During the years ended September 30, 2018 and 2017, the Health System made cash payments for interest of \$39,125 and \$36,380, respectively, and cash payments for bond fees of \$279 and \$408, respectively.

**Covenants**—Debt agreements held by the Health System include a range of required covenants, provisions and conditions. The primary covenants are related to minimum debt service coverage, unrestricted cash positions, minimum credit ratings, and maximum indebtedness to capitalization. At September 30, 2018, the Health System was in compliance with all covenants, provisions and conditions required by outstanding agreements.

## 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—October 1, 2016	<u>\$ 1,011,221</u>	<u>\$ 1,011,426</u>	<u>\$ (205)</u>
Unrestricted net assets:			
Revenue in excess of expenses	(12,276)	(12,809)	533
Change in noncontrolling interests	(843)	-	(843)
Change in net unrealized gain on investments	15,553	15,553	-
Net assets released from restrictions—capital	782	782	-
Other components of net periodic pension costs	(7,226)	(7,226)	-
Change in funded status of pension plan	<u>22,351</u>	<u>22,351</u>	<u>-</u>
Increase in unrestricted net assets before discontinued operations	18,341	18,651	(310)
Loss from discontinued operations	<u>(13,934)</u>	<u>(13,934)</u>	<u>-</u>
Increase in unrestricted net assets	4,407	4,717	(310)
Increase in temporarily restricted net assets	3,990	3,990	-
Increase in permanently restricted net assets	<u>1,713</u>	<u>1,713</u>	<u>-</u>
Increase in net assets	<u>10,110</u>	<u>10,420</u>	<u>(310)</u>
Net assets—September 30, 2017	<u>1,021,331</u>	<u>1,021,846</u>	<u>(515)</u>
Unrestricted net assets:			
Revenue in excess of expenses	24,909	24,496	413
Change in noncontrolling interests	(1,699)	-	(1,699)
Change in net unrealized gain on investments	439	439	-
Net assets released from restrictions—capital	976	976	-
Other components of net periodic pension cost	(4,014)	(4,014)	-
Change in funded status of pension plans	<u>8,482</u>	<u>8,482</u>	<u>-</u>
Increase in unrestricted net assets before discontinued operations	29,093	30,379	(1,286)
Loss from discontinued operations	<u>-</u>	<u>-</u>	<u>-</u>
Increase in unrestricted net assets	29,093	30,379	(1,286)
Increase in temporarily restricted net assets	3,711	3,711	-
Increase in permanently restricted net assets	<u>1,266</u>	<u>1,266</u>	<u>-</u>
Increase in net assets	<u>34,070</u>	<u>35,356</u>	<u>(1,286)</u>
Net assets—September 30, 2018	<u>\$ 1,055,401</u>	<u>\$ 1,057,202</u>	<u>\$ (1,801)</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.

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 2018	Total 2017
Projected benefit obligation for service rendered to date	\$ 174,501	\$ 48,699	\$ 223,200	\$ 231,672
Plan assets—at fair value	<u>139,345</u>	<u>46,349</u>	<u>185,694</u>	<u>181,195</u>
Funded status	<u>\$ (35,156)</u>	<u>\$ (2,350)</u>	<u>\$ (37,506)</u>	<u>\$ (50,477)</u>
Employer contributions	\$ 6,120	\$ 4,000	\$ 10,120	\$ 10,000
Accrued pension liability (all noncurrent)	35,156	2,350	37,506	50,477
Change in funded status	7,529	5,469	12,998	19,586
Benefits paid	12,349	2,831	15,180	12,574
Accumulated benefit obligation	162,417	48,699	211,116	217,151

The following table presents the pension benefit costs:

	<b>SLRMC</b>	<b>SLMVRMC</b>	<b>Total 2018</b>	<b>Total 2017</b>
Service cost	\$ 2,957	\$ -	\$ 2,957	\$ 3,391
Interest cost	6,080	1,629	7,709	7,086
Expected return on plan assets	(7,683)	(2,404)	(10,087)	(8,896)
Amortization of prior service cost	80	-	80	80
Amortization of net loss	<u>4,593</u>	<u>560</u>	<u>5,153</u>	<u>7,219</u>
Net periodic pension cost	<u>\$ 6,027</u>	<u>\$ (215)</u>	<u>\$ 5,812</u>	<u>\$ 8,880</u>

Service cost is recorded on the Consolidated Statement of Operations, within the line item employee compensation and benefits. The other components of net periodic benefit cost are recorded in the Statement of Changes in Net Assets, as other components of net periodic pension cost.

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

	<b>SLRMC</b>	<b>SLMVRMC</b>	<b>Total 2018</b>	<b>Total 2017</b>
Prior service cost	\$ 351	\$ -	\$ 351	\$ 431
Net actuarial loss	(40,258)	(17,988)	(58,246)	(66,855)

The measurement date used to determine pension benefits is September 30. Contributions to the Plans for the year ending September 30, 2019, are expected to be approximately \$9,880.

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, 2018, the amounts and percentages of the fair value of Plans' assets are as follows:

	<u>SLRMC</u>		<u>SLMVRMC</u>	
Domestic equity	\$ 52,742	38 %	\$ 20,062	43 %
International equity	33,217	24	8,885	19
Fixed income	39,767	28	15,921	35
Other	<u>13,619</u>	<u>10</u>	<u>1,481</u>	<u>3</u>
Total	<u>\$ 139,345</u>	<u>100 %</u>	<u>\$ 46,349</u>	<u>100 %</u>

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

	<u>SLRMC</u>	<u>SLMVRMC</u>	<u>Total</u>
2019	\$ 13,030	\$ 2,867	\$ 15,897
2020	13,366	3,052	16,418
2021	13,102	3,161	16,263
2022	13,260	3,227	16,487
2023	12,853	3,265	16,118
2024–2028	<u>61,290</u>	<u>16,103</u>	<u>77,393</u>
	<u>\$ 126,901</u>	<u>\$ 31,675</u>	<u>\$ 158,576</u>

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

<b>SLRMC</b>	<b>2018</b>	<b>2017</b>
Spot discount rates	3.43–3.99 %	3.15–3.88 %
Rate of increase in future compensation levels	2.50–4.00	2.50–4.00
Expected long-term rate of return on assets	7.00	7.00
<b>SLMVRMC</b>		
Spot discount rates	3.26–3.78 %	2.94–3.63 %
Expected long-term rate of return on assets	6.75	7.00

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

<b>SLRMC</b>	<b>2018</b>	<b>2017</b>
Weighted average discount rate	4.34 %	3.86 %
Rate of increase in future compensation levels	2.50–4.00	2.50–4.00
<b>SLMVRMC</b>		
Weighted average discount rate	4.30 %	3.78 %

The principal cause of the change in the unfunded pension liability is an increase in the fair value of pension assets, employer contributions and overall market performance.

**Supplemental Retirement Plan for Executives**—The Supplemental Retirement Plan for Executives (SERP) is a non-qualified 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>2018</b>	<b>2017</b>
Projected benefit obligation for service rendered to date	\$ 21,421	\$ 20,083
Plan assets—at fair value	<u>-</u>	<u>-</u>
Funded status	<u>\$ (21,421)</u>	<u>\$ (20,083)</u>
Employer paid benefits	\$ 891	\$ 891
Accrued pension liability (noncurrent)	20,193	19,237
Accrued pension liability (current)	1,228	846
Change in funded status	1,338	(2,227)
Accumulated benefit obligation	21,016	19,441

The following table presents the pension benefit costs:

	<b>2018</b>	<b>2017</b>
Service cost	\$ 809	\$ 846
Interest cost	648	648
Amortization of net loss	<u>431</u>	<u>1,089</u>
Net periodic pension cost	<u>\$ 1,888</u>	<u>\$ 2,583</u>

Service cost is recorded on the Consolidated Statement of Operations, within the line item employee compensation and benefits. The other components of net periodic benefit cost are recorded in the Statement of Changes in Net Assets, as other components of net periodic pension cost.

Due to its non-qualified status, the SERP is considered unfunded under the Employee Retirement Income Security Act, as disclosed above. The System has set aside funds in a Rabbi Trust for the purpose of funding the SERP. The Rabbi Trust plan asset balance at September 30, 2018 and 2017 was \$4,485 and \$4,177, respectively.

The measurement dates used to determine pension benefits is September 30. Expected contributions to the Plan for the year ending September 30, 2019, are expected to be approximately \$1,228. The projected benefit obligation increase was primarily driven by participant movement, plan experience and the passage of time, off-set slightly by an increase in the discount rate.

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

	<b>2018</b>	<b>2017</b>
Prior service cost	\$ (148)	\$ -
Net actuarial loss	(3,916)	(3,723)

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

	<b>Benefit Payments</b>
2019	\$ 1,228
2020	1,335
2021	1,327
2022	1,430
2023	1,458
2024–2028	<u>7,090</u>
	<u>\$ 13,868</u>

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

	<b>2018</b>	<b>2017</b>
Spot discount rates	3.29–3.87 %	2.97–3.76 %
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>2018</b>	<b>2017</b>
Weighted average discount rate	4.31 %	3.78 %
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 2018 and 2017, contributions to these plans were \$36,542 and \$27,286, 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 Health System's assessment of the significance of a particular item to the fair value measurement in its entirety requires judgment, 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. The Health System's policy is to recognize transfers between all levels as of the beginning of the reporting period. There were no significant transfers to or from Level 1 or Level 2 during the years ended September 30, 2018 and 2017.

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. The mutual funds held by the System include funds that are traded on both active and inactive markets.

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.

For debt securities, the fair value is measured using quoted market prices and/or other market data for the same or comparable instruments and transactions in establishing the prices, discounted cash flows, and other pricing models. These models are primarily industry standard models that consider various assumptions, including time value and yield curve as well as other relevant economic measures.

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, 2018, 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	\$ 70,627	\$ -	\$ -	\$ 70,627
Mutual funds	59,028	132,442	-	191,470
Government and agency securities	-	123,280	-	123,280
Corporate bonds, notes, mortgages and asset-backed securities	-	241,612	-	241,612
Subtotal	<u>\$ 129,655</u>	<u>\$ 497,334</u>	<u>\$ -</u>	626,989
Investments measured at net asset value: Mortgages and asset-backed securities				<u>82,078</u>
Total assets				<u>\$ 709,067</u>

<b>Fair Value Measurements as of September 30, 2017, 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	\$ 28,599	\$ -	\$ -	\$ 28,599
Mutual funds	44,534	123,820	-	168,354
Government and agency securities	-	134,644	-	134,644
Corporate bonds, notes, mortgages and asset-backed securities	-	201,512	-	201,512
Subtotal	<u>\$ 73,133</u>	<u>\$ 459,976</u>	<u>\$ -</u>	533,109
Investments measured at net asset value: Mortgages and asset-backed securities				<u>75,088</u>
Total assets				<u>\$ 608,197</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.

Mutual funds are valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-ended 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.

Government obligations are valued at pricing models maximizing the use of observable inputs for similar securities.

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 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, 2018, 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	\$ 1,890	\$ -	\$ -	\$ 1,890
Domestic mutual funds	43,051	-	-	43,051
International mutual funds	89,056	-	-	89,056
Government and agency securities	-	13,155	-	13,155
Limited partnerships and liability companies	-	-	7,367	7,367
Subtotal	<u>\$ 133,997</u>	<u>\$ 13,155</u>	<u>\$ 7,367</u>	154,519
Investments measured at net asset value:				
Common collective trusts				25,331
Limited partnerships and liability companies				<u>5,844</u>
Total assets				<u>\$ 185,694</u>

<b>Fair Value Measurements as of September 30, 2017, 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	\$ 2,267	\$ -	\$ -	\$ 2,267
Domestic mutual funds	83,796	-	-	83,796
International mutual funds	43,721	-	-	43,721
Government and agency securities	-	11,757	-	11,757
Limited partnerships and liability companies	-	-	8,015	8,015
Subtotal	<u>\$ 129,784</u>	<u>\$ 11,757</u>	<u>\$ 8,015</u>	149,556
Investments measured at net asset value:				
Common collective trusts				26,490
Limited partnerships and liability companies				<u>5,149</u>
Total assets				<u>\$ 181,195</u>

The Health System's use of Level 3 unobservable inputs account for 4.04% and 4.42%, respectively, of the total fair value of Pension Assets as of September 30, 2018 and 2017. The following table summarizes the changes in Level 3 assets measured at fair value as of September 30:

Beginning balance—September 30, 2016	\$ 7,537
Allocation of net capital gain	43
Miscellaneous fees	(86)
Interest received	292
Change in net unrealized gains	<u>229</u>
Ending balance—September 30, 2017	8,015
Sales	(927)
Allocation of net capital gain	(4)
Miscellaneous fees	(63)
Interest received	220
Change in net unrealized gains	<u>126</u>
Ending balance—September 30, 2018	<u>\$ 7,367</u>

The unrealized gains and losses on investment accounts at September 30, 2018 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 the Health System's investments' fair values and gross unrealized losses for individual securities that have been in a continuous loss position for 12 months or less as of September 30, 2018 and those that have been in a loss position for 12 months or more as of September 30, 2018. These investments are interest-yielding debt securities of varying maturities. The Health System has 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.

	<b>In a Continuous Loss Position for Less than 12 Months</b>		
	<b>Estimated Fair Value</b>	<b>Unrealized Losses</b>	<b>Total Number of Positions</b>
Corporate bonds, notes, mortgages and asset-backed securities	\$ 128,505	\$ (1,356)	344
Mutual funds	797	(35)	7
Government & agency securities	<u>82,226</u>	<u>(723)</u>	<u>128</u>
Total	<u>\$ 211,528</u>	<u>\$ (2,114)</u>	<u>479</u>

	<b>In a Continuous Loss Position for more than 12 Months</b>		
	<b>Estimated Fair Value</b>	<b>Unrealized Losses</b>	<b>Total Number of Positions</b>
Corporate bonds, notes, mortgages and asset-backed securities	\$ 66,839	\$ (1,143)	171
Mutual funds	8,772	(264)	23
Government & agency securities	<u>36,037</u>	<u>(1,060)</u>	<u>65</u>
Total	<u>\$ 111,648</u>	<u>\$ (2,467)</u>	<u>259</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, 2018 and 2017 was \$586,467 and \$556,810, 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, 2018 and 2017, was \$25,252 and \$43,301, 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, 2018. 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 2018 and 2017 were \$20,387 and \$16,867, respectively. The Health System also leases out space in medical office buildings under non-cancelable operating leases. Rental income on these leases during 2018 and 2017 were \$5,557 and \$2,753, respectively.

As of September 30, 2018, 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>
2019	\$ 7,649	\$ 19,243
2020	5,117	16,042
2021	4,300	12,957
2022	1,295	11,522
2023	404	10,263
Thereafter	<u>445</u>	<u>61,027</u>
	<u>\$ 19,210</u>	<u>\$ 131,054</u>

Of the \$131,054 total future minimum rental payments, \$91,063 represents payments to be made to Broadway Park Holdings, LLC., an entity of which the Health System holds a 49.5% investment interest. As of September 30, 2018 and 2017, the Health System had commitments on construction contracts and equipment purchases totaling \$36,621 and \$25,775, 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, 2018, 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 4.0%. There can be no assurance that the ultimate liability will not exceed such estimates. Adjustments to the estimated reserves are included in results of operations in the periods when such amounts are determined. As of September 30, 2018 and 2017, the Health System had professional liability recorded in accounts payable and accrued liabilities in the amounts of \$19,360 and \$11,541, respectively.

In connection with the divestiture of the medical practice described in Note 2, on December 10, 2015, the Idaho Federal District 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. A transaction divesting the medical practice closed on May 1, 2017. As of September 30, 2018, all judgements, fees and insurance settlements relating to this matter have been monetarily resolved.

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>2018</b>	<b>2017</b>
Professional, nursing, and other patient care services	\$ 2,205,506	\$ 2,036,675
Fiscal and administrative support services	<u>377,031</u>	<u>311,652</u>
	<u>\$ 2,582,537</u>	<u>\$ 2,348,327</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, 2018 and 2017.

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>2018</b>	<b>2017</b>
Covenants not to compete	\$ 46,849	\$ 46,849
Less accumulated amortization	<u>(46,849)</u>	<u>(46,776)</u>
Total other intangible assets	<u>\$ -</u>	<u>\$ 73</u>

The Health System recorded amortization expense of \$73 and \$1,931 for the years ending September 30, 2018 and 2017, respectively.

### 15. Subsequent Events

The Health System has evaluated subsequent events through December 14, 2018. This is the date the financial statements were available to be issued.

\* \* \* \* \*



## Implementation Plan Overview

St. Luke's will continue to collaborate with the people, leaders, and organizations in our community to carry out an implementation plan designed to address many of the most pressing community health needs identified in this assessment. Utilizing effective, evidence-based programs and policies, we will work together to improve community health outcomes and well-being toward the goal of attaining the healthiest community possible.

## Future Community Health Needs Assessments

We intend to reassess the health needs of our community on an ongoing basis and conduct a full community health needs assessment once every three years. St. Luke's next Community Health Needs Assessment is scheduled to be completed in 2019.

## History of Community Health Needs Assessments and Impact of Actions Taken

In our 2013 CHNA, St. Luke's McCall identified five groups of priority health needs facing individuals and families in our two-county region. Each of these groups is shown below, along with a description of the programs and impact we have had on addressing these needs over the past three years.

The health impact in this report includes only outcomes from programs which St. Luke's McCall is the predominant or sole financial and administrative provider. A few programs are listed under two health need groupings. These programs are multi-faceted and designed to improve two or more sets of needs. In these cases the attendance numbers are not double counted.

### Three-year aggregate impacts from 2014 to 2016

- 1. Participation: 33,000** distinct health improvement touches (total attendance at all classes, foot clinics, health fairs, fitness activities, screenings)
- 2. Financial:** St. Luke's McCall total allocations for community health Improvement **\$610,000\*** for targeted health improvement programs: includes supplies, wages, promotions, travel. \*Net expenses after subtracting program revenues **\$480,000** in outside grants that fund local health improvement initiatives (mental health services, youth substance abuse prevention, cancer support, dental care, breast care) **\$8,000,000** (estimated) equally split between Charity Care (medical services pre-approved to be provided for free) and bad debt (fees written off as uncollectable). **\$270,000** in community grants from St. Luke's McCall Auxiliary to community non-profits with a health improvement mission.

3. **Staffing.** St. Luke's McCall employees 2.8 full time equivalent employees dedicated to non-revenue-producing community health improvement initiatives.

**Group 1: Weight Management/Fitness**

Adult, adolescent and youth weight management programs were ranked as high priority health needs. According to the CDC, the key to achieving and maintaining a healthy weight is adopting a lifestyle centered on healthy eating, regular physical activity, and balancing the number of calories you consume with the number of calories your body uses. Therefore, our weight management programs include physical activity and nutrition components as well as behavior change education. There is great diversity in patient needs when it comes to weight management. No single program can address the entire range of patient medical needs, schedules, or preferences. Accordingly, St. Luke's McCall has chosen to offer a number of weight loss programs designed to meet the wide variety of patient circumstances. Excess stress is also shown to correlate with excess weight. We conducted numerous stress management programs but reported those programs and attendance under mental health programs.

**Classes and activities:**

- **Best U:** Three-month weight loss program. Conducted 2-3 times a year with 8 -12 participants. Open to employees and public.
- **School and after school nutrition and exercise programs.** 30 programs a year, average of 30 attending.
- **Youth weight loss and fitness camp.** One camp organized and presented solely by St. Luke's McCall. We now introduce weight loss and fitness into youth camps organized by other groups such as churches and youth camps.
- **Yoga classes.** Average 1,100 attendances per year for seniors and people with disabilities.
- **Walking Talking Tuesdays.** Getting people walking and socializing with short health topic presentations. 300 participants per year.
- **Nutrition and food preparation classes for high need demographics.** Women Infant Children (WIC), Western Idaho Community Action Partnership (WICAP), HeadStart. 10 group presentations per year.
- **Healthy recipe distribution at food pantries.** St. Luke's McCall's Community Health Coordinator learns what food items will be distributed the following week at the food pantry and then she prints and distributes healthy recipes utilizing available items. At times all the recipe items are included in a pre-packaged bag. 60 bags or recipes leave the pantries per week.
- **Nutrition and food preparation classes at community gardens.** In conjunction with Cascade Medical Center and Master Gardeners, we co-present a 6-class series on healthy food growing and storing. Average of 40 attendees per class
- **Sugar Sense and Intuitive Eating nutrition classes.** The St. Luke's McCall's dietitian presents nutrition classes in the workplace, schools and public gatherings. 200 participants annually.

Average annual attendance at all initiatives for weight management: 3,200 separate visits

## **Group 2: Mental Health and Substance Abuse Services and Programs**

Programs for mental illness, the dearth of mental health providers, and substance abuse were identified as a high priority community health need. Idaho has one of the highest incidences of mental illnesses in the nation (22.5% of the population during a one year period), and Valley and Adams counties are no exception. To help address this challenge, St. Luke's McCall provides and funds various mental health services for adults and children and has increased the much needed access to care for people with mental and behavioral health needs.

We grouped mental health and substance abuse together because they frequently co-occur and share causative factors. Our mental health interventions are designed to cover a broad assortment of mental health disorders and levels of severity, ranging from mild depression and anxiety to conditions requiring clinical diagnosis and intervention. A significant part of our successes in this priority health need resulted from the large amount of dedicated annual grants St. Luke's McCall Foundation generated for these purposes.

Average annual attendance at mental health and substance abuse programs: 1,950

### **Classes and activities:**

- **Mental Health and Social Services Resources Guide.** St. Luke's McCall Social Services generated an electronic list of all local and statewide mental health and behavioral health services. It is readily available and used by anyone in need and by all providers. St. Luke's McCall participates and helps organize the local resource fair designed to inform the public of local services to help people with social service needs.
- **Life 101.** Approximately 500 people have attended a Life 101 seminar or presentation designed to help people experience greater health, happiness and life fulfillment. The six topics presented are Life Purpose, Life Passion, Positivity, Perseverance (physical, mental, emotional) Life Planning, and sense of Place. Three prominent behavior change academicians help develop content. Participants universality say the program will enhance their lives. We are developing measurements to determine how and to what extend life changes are made.
- **Behavioral health providers embedded in primary care clinics.** Now in its second year, this has allowed St. Luke's McCall to see a demographic of patients that often avoid behavioral health issues and added 800 additional patient visits per year. When patients' medical conditions are compounded by coexisting mental or behavioral health conditions, the physician can hand-off patients to a licensed counsel during the same appointment with no additional costs to patients.
- **Hope and Healing.** Emotional and financial support for cancer patients and families. Now at \$10,000 annual support and assisting 20 people

- **Depression screenings.** All primary care patients take a two-question screening for depression during clinic appointments. Number of screenings performed in clinic visits not included in total health improvement visits.
- **Mental health subsidies for medications and psychiatric appointments.** \$15,000 annual grant used to help ER and clinic patients purchase essential psychotropic for initial psychiatric evaluations.
- **Pediatric developmental physician evaluations.** To increase services to parents, we arranged for visiting pediatric psychiatrists to see patients in McCall.
- **Life and Loss.** Grief management classes taught 3 times annually; 8 attendees per class.
- **Stress management and various mental health topic classes.** Average of 5 classes per year with 12 participants.
- **Patient navigation services.** Helping people without resources get the care they need. (Explained under Barriers to Access grouping below.)
- **Yoga and meditation classes.** 1,100 attendances per year for seniors and people with disabilities. There is a fee for these classes, but the primary purpose is to provide the service. It is slightly subsidized by St. Luke's McCall.
- **Ear Acupuncture.** Offered to and public for \$5 per session as a means of stress reduction. Cost to provide service is subsidized by St. Luke's McCall. 150 participants per year.
- **Freedom from Smoking.** All tobacco users can attend this 4-session program for free. 8 participants annually (cessation assistance also offered by LCSW counselors in clinics)

### **Group 3: Barriers to Access Programs**

The programs in this section address the needs that center on barriers to access: affordable care; affordable health insurance; more local providers and services; and children and family services for low income individuals.

#### **Classes and activities:**

- **Extended hours for family medicine clinic.** Extended from 8:30 -5:00 weekdays to 8 to 7 weekdays. Clinic opened 9 to 2 Saturdays for day-of and walk-in appointments. Added 50 clinic visits weekly on weekdays and 12 clinic visits on Saturday.
- **Free flu shots.** Funding provided to Community Medical Fund to provide 100 free vaccinations without appointments in public places.
- **Free screenings for chronic conditions.** Diabetes, depression, skin cancer, hypertension, cardiopulmonary, colon cancer
- **Brighter Smiles.** Grant funding for 90 to 100 people annually to receive free or reduced dental care
- **Embedded behavioral health providers in the clinics.** In comparison with previous model of providing mental and behavioral health services, this model added 20 new clinic visits per week.

- **Charity care and bad debt.** Estimated \$8,000,000 in free medical services mostly to the uninsured and underinsured. For June 2015 through May 2016 the amounts were \$1.71 million for bad debt and \$1.45 million for charity care.
- **Breast Buddies.** Breast care nurse traveled to all our communities and hosted an ice cream social with women willing to become breast buddies who encourage all women to get recommended screenings. 21 women attended and became breast buddies.
- **Free mammograms.** Through grants, we are able to promote and provide free baseline (and some diagnostic mammograms) to every woman in our service area who has been avoiding recommended exams due to finances.
- **Increased visiting physician services.** As a convenience to the people we serve, and not as a source of net revenue, St. Luke's McCall began providing the following visiting physician specialists: pediatric cardiology, oncology, pediatric psychiatric and motor development, therapy services for youth speech and motor skills.
- **Complex Care Coordination.** In 2014, St. Luke's McCall absorbed the entire patient population of McCall's previous free clinic (community Care Clinic) and continued providing services to this high care, low income cohort. Our charity care increased substantially as a result, but, as was our intent, patient care improved.
- **Hope and Healing.** As explained above in Mental Health Programs
- **Auxiliary Community Health Grants.** St. Luke's McCall Auxiliary grants \$80,000 to \$100,000 annually to local health-minded non-profit organizations. This is not money from the hospital, but it is money from within the St. Luke's umbrella.
- **Behavioral health providers embedded in primary care clinics.** 800 new visits per year.
- **Connect U Riggins.** St. Luke's provides \$11,000 annually to sponsor weekly bus transportation between Riggins and McCall. Riders access medical appointments, pharmacy, fresh food sources, thrift store and experience social support.
- **Enrollment in Idaho Health Exchange.** St. Luke's McCall organized, advertised and staffed five public enrollment opportunities. Our efforts contributed to Valley County being the county in Idaho with the highest proportion of citizens signing up for insurance.
- **Patient Navigators in clinics and hospital.** During this three year period we added three financial navigators to help people navigate their way to the care they need (much of the navigation is getting people rides, encouraging them to attend appointments, encouraging them period, connecting them with financial aid and social services, processing their Medicare and Medicaid application. In some cases we recover greater revenues from having these patient navigators, but the real bottom line is that a large cohort of health needing individuals receives the care they need.

#### **Group 4: Behavioral Health**

In this report, the distinction between mental health needs and behavioral health needs is that behavioral health initiatives are programs provided to change the health factors such as

nutritional habits, exercise, smoking, excessive drinking, unsafe sex, physical inactivity, childhood immunizations and other key influencers of health outcomes. Also included in this category are the programs designed to change a community mindset to embrace a “culture of health.”

- **Hosted American Lung Association certification training for youth tobacco prevention.**  
6 participants certified to lead adolescent tobacco training.
- **Extreme Challenge.** An all-day healthy lifestyle education for 350 students from Cascade, Donnelly, McCall, New meadows. Students could attend 5 classes from a slate of 13 classes and activities offered. Classes centered on safe and healthy behaviors. Highly inspirational and interactive.
- **After school programs.** St. Luke’s McCall’s wellness team frequently provides the education and activities for after school programs (grade schools) to include nutrition, emotional control, exercise, and gardening. Average of 20 programs per year.
- **Workplace wellness.** At the invitation of businesses, St. Luke’s McCall provides employee health educations at the workplace. School faculties, Forest Service and Brundage Mountain Resort are sights where we made multiple appearances. Total attendance at all sites was 450.
- **Freedom from Smoking.** Free cessation classes to anyone wanting tobacco cessation coaching. We also provide smoking cessation through the behavioral counselors embedded in family medicine.
- **Prescription Drug Prevention Workgroup.** This team of physicians, clinic manager, law enforcement, pharmacists, counselors, administrators working together to prevent prescription narcotics from being misused.
- **Car seat check and free installation.** A trained car seat installer from the hospital inspects infant car seats when mother and child leave the hospital and installs a free car seat if needed. We pay for the installer training which is three days..
- **Administration of Youth Advocacy Coalition** A .75 FTE St. Luke’s employee administers this highly active coalition which organizes 40 events for youth yearly. \$100,000 annual budget. Majority of funding is from a grant.
- **Administration of Valley Adams Health Improvement Coalition.** “The mission of the Valley Adams Health Improvement Coalition is to create a physical, social and economic environment that supports, encourages and educates regional residents and visitors to attain their optimal level of health, happiness, and quality of life, and to be a role model for other counties aspiring to improve public health and quality of life.” The coalition’s four priorities are domestic violence prevention, walkable environments, improved nutrition, and youth tobacco prevention. Approximately \$2,000 in annual expenses and \$4,000 in administrative support from hospital.
- **Participating in America’s Best Community contest (ABC).** St. Luke’s McCall helped fund (\$1,500) our region’s entry fee into this contest and a hospital senior leader

serves on ABC leadership committee. Our region, called the Idaho West Central Mountains, which is entirely in our service area, has received \$150,000 to implement its 22 community strengthening initiatives, all of which impact health and quality of life. We are in the final 8 entrants being considered to win \$3, \$2, or \$1 million dollars to further implement our initiatives.

- **West Central Mountains Leadership Academy.** St. Luke's McCall sponsored (\$1,000) and helped establish the West Central Mountains Leadership Academy which is a Chamber of Commerce activity convened to resolve community issues. A hospital senior leader serves on the leadership committee.
- **Grant writing.** St. Luke's McCall contributes \$20,000 annually in salaries to write grants for health-enhancing programs.
- **Change Tool.** With our key partner Central District Health Department, we implemented the CDC's Change Tool which involved interviewing 34 local businesses, schools and agencies to learn their recommendations for creating a healthier community and engaging them in solutions. We invited all the interview participants to a lunch presentation depicting their recommendations (25 of 35 interviewed attended). Hospital budget costs of \$900 in expenses and \$1,500 in salaries.
- **Pray and Poke.** The surprising consequence of testing for blood sugar following church services is that church members realized the paradox of having tables of dessert after church and then checking for blood sugar. Most churches asked members to bring healthier food to share.

#### **Group 5: Diabetes Prevention, Detection and Management**

All of our weight management, nutrition and physical activity programs have diabetes prevention and management as an underlying outcome. We adopted two strategies in detecting diabetes: 1) to identify elevated sugar levels in high risk populations, and 2) to educate high risk populations about the symptoms and risks of diabetes and encourage them to make physician appointments or attend the diabetes screening conducted at the hospital. These strategies were adopted following research indicating diabetes outcomes are best if detection and management are conducted in a clinical setting. Accordingly, we rely primarily on our clinics to detect and manage diabetes and each St. Luke's primary care physician is provided data on all their patients' AC1 results.

In combining all individual visits to programs that were promoted as distinctly diabetes prevention and detection, excluding clinic visits, the average annual attendance was 800\* visits.

(\*We did not offer Pray and Poke every year at every church.)

- **Pray and poke.** A nurse and health educator provided finger stick glucose testing for anyone wishing and diabetes education for 600+ parishioners.
- **Hospital diabetes screening.** 20-30 people annually attend the hospital diabetes screening. Typically 2 or 3 people are identified at this screening as having type 2

diabetes and being without physician management. These people are mainstreamed into clinic care.

- **Foot clinic screenings.** Information about diabetes is presented at foot clinics and providers check for foot neuropathy as a symptom of diabetes.
- **Diabetes specific nutrition classes.** Sugar Sense is our nutrition class tailored for youth and adults which focuses on diabetes prevention through nutrition. Presented 3 times a year with average attendance of 40.
- **\$10 a bag for produce at Ridley's grocery stores.** Our community health coordinator made arrangements with Ridley's grocery store and Central District Health Department whereby shoppers with food assistance purchasing programs could use their coupons in exchange for a large bag of mixed fresh produce.

### **Conclusion**

St. Luke's McCall inherited a long history of commitment to community health from its former community-owned McCall Memorial Hospital and has continued that commitment to better health, lower costs, and better care. We are fortunate that for a geographic area our size and small population to have exceptional partners in community health. Our region has two hospitals and a Federally Qualified Health Center, a Central District Health Department office, a University of Idaho field campus that educates 3,000 K1 through K12 annually, numerous summer camp facilities and organizations, a larger proportion of wealthy residents who support community projects, communities and counties promoting and funding interconnected pathways, and a well-developed outdoor recreation industry. We should, and we do, expect to reach high levels of community health outcomes.