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**FEDERAL FORM 990**  
**RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**PUBLIC DISCLOSURE COPY**

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Return of Organization Exempt From Income Tax

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

Do not enter social security numbers on this form as it may be made public.

Go to www.irs.gov/Form990 for instructions and the latest information.

Open to Public Inspection

A For the 2019 calendar year, or tax year beginning 07/01, 2019, and ending 06/30, 2020

B Check if applicable: X Address change. C Name of organization: ST. LUKE'S WARREN HOSPITAL, INC. D Employer identification number: 22-1494454. E Telephone number: (908) 859-6700. G Gross receipts \$: 131,302,438. H(a) Is this a group return for subordinates? Yes No. H(b) Are all subordinates included? Yes No. I Tax-exempt status: X 501(c)(3). J Website: WWW.SLHN.ORG. K Form of organization: X Corporation. L Year of formation: 1921. M State of legal domicile: NJ.

Part I Summary

Table with 3 columns: Line number, Description, and Amount. Rows include: 1 Briefly describe the organization's mission... 2 Check this box... 3-7 Activities & Governance (members, employees, volunteers, revenue, income). 8-12 Revenue (contributions, program service, investment, other). 13-19 Expenses (grants, benefits, salaries, fundraising, other). 20-22 Net Assets or Fund Balances (total assets, liabilities, net assets).

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.

Sign Here: Signature of officer, Date, Type or print name and title.

Paid Preparer Use Only: Print/Type preparer's name (SCOTT J MARIANI), Preparer's signature, Date, Check self-employed, PTIN (P00642486), Firm's name (WITHUMSMITH+BROWN, PC), Firm's EIN (22-2027092), Firm's address (200 JEFFERSON PARK SUITE 400 WHIPPANY, NJ 07981-1070), Phone no. (973-898-9494).

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

For Paperwork Reduction Act Notice, see the separate instructions.

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:

ATTACHMENT 1

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 \$ 48,653,807. including grants of \$ 0. ) (Revenue \$ 50,090,151. )

GENERAL MEDICINE: COORDINATED CARE IS PROVIDED FOR PATIENTS IN BOTH AN OUTPATIENT AND INPATIENT SETTING, IN WHICH CARE IS MANAGED BY HOSPITALISTS. EMPHASIS IS ALSO PLACED ON HEALTH PROMOTION AND DISEASE PREVENTION. PREVENTIVE AND HEALTHY LIVING MEDICAL EDUCATION, ROUTINE CARE OF COMMON MEDICAL ILLNESSES AND ONGOING MANAGEMENT AND COORDINATION OF CARE FOR COMPLEX DISEASE STATES IS PROVIDED. PLEASE REFER TO SCHEDULE O FOR THE ORGANIZATION'S COMMUNITY BENEFIT STATEMENT.

4b (Code: ) (Expenses \$ 14,102,343. including grants of \$ 0. ) (Revenue \$ 19,664,725. )

ORTHOPEDICS: BOARD CERTIFIED PHYSICIANS HIGHLY SKILLED IN GENERAL OTHOPEDICS AND WITH SUB-SPECIALTY TRAINING, PROVIDE PATIENTS WITH A WIDE RANGE OF ORTHOPEDIC SERVICES AND CARE. PLEASE REFER TO SCHEDULE O FOR THE ORGANIZATION'S COMMUNITY BENEFIT STATEMENT.

4c (Code: ) (Expenses \$ 12,743,364. including grants of \$ 0. ) (Revenue \$ 13,635,731. )

SURGERY: HOSPITAL SURGEONS, COMBINED WITH AVAILABLE LEADING-EDGE SURGICAL TECHNOLOGIES, PROVIDE PATIENTS WITH SOME OF THE MOST ADVANCED SURGICAL CARE AVAILABLE TODAY. ST. LUKE'S HAS ONE OF THE NATION'S OLDEST AND MOST EXPERIENCED MINIMALLY INVASIVE ROBOTIC SURGERY PROGRAMS AND WAS THE FIRST IN THE U.S. TO OFFER A "GUARANTEE" FOR ROBOTIC PROSTATECTOMY. OTHER INNOVATIVE ADVANCED SURGICAL TECHNIQUES ARE OFFERED FOR A WIDE RANGE OF CONDITIONS, SUCH AS SURGERY RESULTING FROM TRAUMA INJURIES, NEUROSURGICAL PAIN MANAGEMENT AND BARIATRIC SURGERY. PLEASE REFER TO SCHEDULE O FOR THE ORGANIZATION'S COMMUNITY BENEFIT STATEMENT.

4d Other program services (Describe on Schedule O.)

(Expenses \$ 48,667,228. including grants of \$ 500. ) (Revenue \$ 44,550,723. )

4e Total program service expenses 124,166,742.

**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> (see instructions)? . . . . .	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 donor-restricted endowments or in 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> (see instructions). . . . .		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
<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

Part IV Checklist of Required Schedules (continued)

Table with 3 columns: Question, Yes, No. Rows 22-38 covering various organizational requirements and schedules.

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 3 columns: Question, Yes, No. Rows 1a-1c regarding Form 1096, Forms W-2G, and backup withholding rules.

**Part V** Statements Regarding Other IRS Filings and Tax Compliance (continued)

		Yes	No
<b>2a</b>	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return. <b>2a</b> 739		
<b>b</b>	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note:</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions) . . . . .	X	
<b>3a</b>	Did the organization have unrelated business gross income of \$1,000 or more during the year? . . . . .		X
<b>b</b>	If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation on Schedule O . . . . .		
<b>4a</b>	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)? . . . . .		X
<b>b</b>	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).		
<b>5a</b>	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . . . . .		X
<b>b</b>	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
<b>c</b>	If "Yes" to line 5a or 5b, did the organization file Form 8886-T? . . . . .		
<b>6a</b>	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? . . . . .		X
<b>b</b>	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? . . . . .		
<b>7</b>	<b>Organizations that may receive deductible contributions under section 170(c).</b>		
<b>a</b>	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor? . . . . .		X
<b>b</b>	If "Yes," did the organization notify the donor of the value of the goods or services provided? . . . . .		
<b>c</b>	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282? . . . . .		X
<b>d</b>	If "Yes," indicate the number of Forms 8282 filed during the year . . . . . <b>7d</b>		
<b>e</b>	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
<b>f</b>	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . . . . .		X
<b>g</b>	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
<b>h</b>	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C? . . . . .		
<b>8</b>	<b>Sponsoring organizations maintaining donor advised funds.</b> Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year? . . . . .		
<b>9</b>	<b>Sponsoring organizations maintaining donor advised funds.</b>		
<b>a</b>	Did the sponsoring organization make any taxable distributions under section 4966? . . . . .		
<b>b</b>	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person? . . . . .		
<b>10</b>	<b>Section 501(c)(7) organizations.</b> Enter:		
<b>a</b>	Initiation fees and capital contributions included on Part VIII, line 12 . . . . . <b>10a</b>		
<b>b</b>	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities . . . . . <b>10b</b>		
<b>11</b>	<b>Section 501(c)(12) organizations.</b> Enter:		
<b>a</b>	Gross income from members or shareholders . . . . . <b>11a</b>		
<b>b</b>	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.) . . . . . <b>11b</b>		
<b>12a</b>	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?		
<b>b</b>	If "Yes," enter the amount of tax-exempt interest received or accrued during the year . . . . . <b>12b</b>		
<b>13</b>	<b>Section 501(c)(29) qualified nonprofit health insurance issuers.</b>		
<b>a</b>	Is the organization licensed to issue qualified health plans in more than one state? . . . . . <b>Note:</b> See the instructions for additional information the organization must report on Schedule O.		
<b>b</b>	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans . . . . . <b>13b</b>		
<b>c</b>	Enter the amount of reserves on hand . . . . . <b>13c</b>		
<b>14a</b>	Did the organization receive any payments for indoor tanning services during the tax year? . . . . .		X
<b>b</b>	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation on Schedule O . . . . .		
<b>15</b>	Is the organization subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year? . . . . . If "Yes," see instructions and file Form 4720, Schedule N.		X
<b>16</b>	Is the organization an educational institution subject to the section 4968 excise tax on net investment income? If "Yes," complete Form 4720, Schedule O.		X

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 on 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 (16), 1b (11), 2 (X), 3 (X), 4 (X), 5 (X), 6 (X), 7a (X), 7b (X), 8a (X), 8b (X), 9 (X).

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 (X), 10b, 11a (X), 11b, 12a (X), 12b (X), 12c (X), 13 (X), 14 (X), 15a (X), 15b (X), 16a (X), 16b.

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed NJ,
18 Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A, 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.
19 Describe on 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

**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. See instructions for the order in which to list the persons above.

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 per week (list any hours for related organizations below dotted 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) SCOTT R. WOLFE TRUSTEE - PRESIDENT SL WARREN	55.00 0.	X		X				0.	596,691.	29,782.
(2) JACK E. CHAMBERS, D.O. TRUSTEE	55.00 0.	X						0.	408,491.	18,607.
(3) THOMAS C. MCGINLEY, JR, M.D. PHYSICIAN	55.00 0.					X		306,602.	0.	23,894.
(4) EUGENE M. DECKER, D.O. TRUSTEE	55.00 0.	X						234,563.	0.	25,315.
(5) MARY J. SICILIANO, M.D. PHYSICIAN	55.00 0.					X		240,966.	0.	16,932.
(6) ALAN H. REMDE, M.D. PHYSICIAN	55.00 0.					X		227,697.	0.	23,280.
(7) RAYMOND S. BUCH, M.D. PHYSICIAN	55.00 0.					X		225,695.	0.	24,946.
(8) CHING-HUEY CHU, M.D. PHYSICIAN	55.00 0.					X		209,438.	0.	26,788.
(9) ELISA LANEVE VP PATIENT CARE SERVICES	55.00 0.						X	194,453.	0.	18,058.
(10) DANIEL CONFALONE TREASURER - TRUSTEE	55.00 0.	X		X				0.	96,137.	13,954.
(11) KAREN KUBERT CHAIR - TRUSTEE	1.00 0.	X		X				0.	0.	0.
(12) EDWARD ROSSI VICE CHAIRMAN - TRUSTEE	1.00 0.	X		X				0.	0.	0.
(13) WILLIAM AUSTIN, PHD SECRETARY - TRUSTEE	1.00 0.	X		X				0.	0.	0.
(14) MARC N. ABO, M.D. TRUSTEE	1.00 0.	X						0.	0.	0.

**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 dotted 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			
15) ROBERT E. BARLOW TRUSTEE	1.00 0.	X		X				0.	0.	0.
16) JOSEPH BUCICH, M.D. TRUSTEE - VPMA (EFF 5/4/20)	55.00 0.	X						0.	0.	0.
17) SCOTT BURD TRUSTEE	1.00 0.	X						0.	0.	0.
18) KERRY E. CAHILL TRUSTEE	1.00 0.	X						0.	0.	0.
19) JAMES E. GOODWIN, M.D. TRUSTEE	1.00 0.	X						0.	0.	0.
20) ROBERT E. MARTIN TRUSTEE; EX-OFFICIO	55.00 0.	X						0.	0.	0.
21) ANN MARIE SCHUMANN TRUSTEE	1.00 0.	X						0.	0.	0.
22) JAMES R. SWICK TRUSTEE	1.00 0.	X						0.	0.	0.
23) ROBERT RUMFIELD TRUSTEE (TERMED 9/19/19)	1.00 0.	X						0.	0.	0.
24) JAMIE THOMAS, D.O. TRUSTEE (TERMED 5/4/20)	1.00 0.	X						0.	0.	0.
25) THOMAS P. LICHTENWALNER TRUSTEE (TERM 3/20) -SVP FIN/CFO	55.00 0.	X		X				0.	0.	0.
<b>1b Sub-total</b>								1,639,414.	1,101,319.	221,556.
<b>c Total from continuation sheets to Part VII, Section A</b>								0.	0.	0.
<b>d Total (add lines 1b and 1c)</b>								1,639,414.	1,101,319.	221,556.

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 **51**

	Yes	No
3 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
4 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	
5 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

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

**Part VIII Statement of Revenue**

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

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514	
<b>Contributions, Gifts, Grants and Other Similar Amounts</b>	<b>1a</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>	2,546,372.				
	<b>f</b>	All other contributions, gifts, grants, and similar amounts not included above .	<b>1f</b>	290,507.				
	<b>g</b>	Noncash contributions included in lines 1a-1f. . . . .	<b>1g</b>	\$				
	<b>h</b>	<b>Total.</b> Add lines 1a-1f . . . . . ▶		2,836,879.				
	<b>Program Service Revenue</b>	<b>2a</b>	NET PATIENT SERVICE REVENUE	Business Code	541900	125,865,312.	125,865,312.	
<b>b</b>		RENTAL INCOME FROM AFFILIATES	Business Code	541900	1,448,683.	1,448,683.		
<b>c</b>		OTHER HEALTHCARE RELATED REVENUE	Business Code	541900	627,335.	627,335.		
<b>d</b>								
<b>e</b>								
<b>f</b>		All other program service revenue . . . . .						
<b>g</b>		<b>Total.</b> Add lines 2a-2f . . . . . ▶			127,941,330.			
<b>Other Revenue</b>		<b>3</b>	Investment income (including dividends, interest, and other similar amounts). . . . . ▶			51,959.		51,959.
	<b>4</b>	Income from investment of tax-exempt bond proceeds . ▶			0.			
	<b>5</b>	Royalties . . . . . ▶			0.			
	<b>6a</b>	Gross rents . . . . .	<b>6a</b>	(i) Real	(ii) Personal			
					115,454.			
	<b>b</b>	Less: rental expenses	<b>6b</b>					
	<b>c</b>	Rental income or (loss)	<b>6c</b>	115,454.				
	<b>d</b>	Net rental income or (loss) . . . . . ▶				115,454.		
	<b>7a</b>	Gross amount from sales of assets other than inventory	<b>7a</b>	(i) Securities	(ii) Other			
	<b>b</b>	Less: cost or other basis and sales expenses . .	<b>7b</b>	23.	475,900.			
	<b>c</b>	Gain or (loss) . . . . .	<b>7c</b>	-23.	-475,900.			
	<b>d</b>	Net gain or (loss) . . . . . ▶				-475,923.		
<b>8a</b>	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18 . . . . .	<b>8a</b>			0.			
			<b>b</b>	Less: direct expenses . . . . .	<b>8b</b>			0.
			<b>c</b>	Net income or (loss) from fundraising events. . . . . ▶			0.	
<b>9a</b>	Gross income from gaming activities. See Part IV, line 19 . . . . .	<b>9a</b>			0.			
			<b>b</b>	Less: direct expenses . . . . .	<b>9b</b>			0.
			<b>c</b>	Net income or (loss) from gaming activities. . . . . ▶			0.	
<b>10a</b>	Gross sales of inventory, less returns and allowances . . . . .	<b>10a</b>			86,073.			
			<b>b</b>	Less: cost of goods sold . . . . .	<b>10b</b>			52,765.
			<b>c</b>	Net income or (loss) from sales of inventory. . . . . ▶			33,308.	
<b>Miscellaneous Revenue</b>	<b>11a</b>	DIETARY REVENUE	Business Code	900099	270,743.		270,743.	
	<b>b</b>							
	<b>c</b>							
	<b>d</b>	All other revenue . . . . .						
	<b>e</b>	<b>Total.</b> Add lines 11a-11d . . . . . ▶				270,743.		
<b>12</b>	<b>Total revenue.</b> See instructions . . . . . ▶				130,773,750.	127,941,330.	-4,459.	

**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

<b>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</b>	<b>(A)</b> Total expenses	<b>(B)</b> Program service expenses	<b>(C)</b> Management and general expenses	<b>(D)</b> Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21 . . . . .	0.			
2 Grants and other assistance to domestic individuals. See Part IV, line 22 . . . . .	500.	500.		
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16 . . . . .	0.			
4 Benefits paid to or for members . . . . .	0.			
5 Compensation of current officers, directors, trustees, and key employees . . . . .	472,389.	430,535.	41,854.	
6 Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . . . .	0.			
7 Other salaries and wages . . . . .	46,415,202.	42,302,815.	4,112,387.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	1,576,645.	1,436,954.	139,691.	
9 Other employee benefits . . . . .	6,820,708.	6,216,393.	604,315.	
10 Payroll taxes . . . . .	2,626,857.	2,394,117.	232,740.	
11 Fees for services (nonemployees):				
a Management . . . . .	294,815.	268,694.	26,121.	
b Legal . . . . .	88,534.	80,690.	7,844.	
c Accounting . . . . .	0.			
d Lobbying . . . . .	0.			
e Professional fundraising services. See Part IV, line 17.	0.			
f Investment management fees . . . . .	0.			
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.) . . . . .	0.			
12 Advertising and promotion . . . . .	13,810.	12,586.	1,224.	
13 Office expenses . . . . .	4,840,783.	4,411,890.	428,893.	
14 Information technology . . . . .	46,675.	42,540.	4,135.	
15 Royalties . . . . .	0.			
16 Occupancy . . . . .	5,160,279.	4,703,078.	457,201.	
17 Travel . . . . .	22,358.	20,377.	1,981.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0.			
19 Conferences, conventions, and meetings . . . . .	69,437.	63,285.	6,152.	
20 Interest . . . . .	3,115,405.	2,839,380.	276,025.	
21 Payments to affiliates . . . . .	0.			
22 Depreciation, depletion, and amortization . . . . .	10,049,530.	9,159,141.	890,389.	
23 Insurance . . . . .	931,211.	848,706.	82,505.	
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses on line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a WARREN PC PROFESSIONAL EXP	19,969,040.	18,199,783.	1,769,257.	
b MEDICAL SUPPLIES	15,478,498.	14,107,103.	1,371,395.	
c SYSTEM SERVICES	8,731,265.	7,957,675.	773,590.	
d PURCHASED SERVICES	7,306,206.	6,658,876.	647,330.	
e All other expenses _____	2,207,179.	2,011,624.	195,555.	
<b>25 Total functional expenses.</b> Add lines 1 through 24e	<b>136,237,326.</b>	<b>124,166,742.</b>	<b>12,070,584.</b>	
26 <b>Joint costs.</b> Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) . . . . .	0.			

**Part X Balance Sheet**

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

		(A) Beginning of year		(B) End of year
<b>Assets</b>	<b>1</b> Cash - non-interest-bearing . . . . .	0.	<b>1</b>	0.
	<b>2</b> Savings and temporary cash investments . . . . .	259,277.	<b>2</b>	550,562.
	<b>3</b> Pledges and grants receivable, net . . . . .	547,231.	<b>3</b>	534,122.
	<b>4</b> Accounts receivable, net. . . . .	10,402,389.	<b>4</b>	11,931,371.
	<b>5</b> Loans and other receivables from any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons . . . . .	0.	<b>5</b>	0.
	<b>6</b> Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B) . . . . .	0.	<b>6</b>	0.
	<b>7</b> Notes and loans receivable, net . . . . .	0.	<b>7</b>	0.
	<b>8</b> Inventories for sale or use . . . . .	1,974,958.	<b>8</b>	2,290,337.
	<b>9</b> Prepaid expenses and deferred charges . . . . .	833,896.	<b>9</b>	602,449.
	<b>10a</b> Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D . . . . .	<b>10a</b> 204,493,113.		
	<b>b</b> Less: accumulated depreciation . . . . .	<b>10b</b> 128,429,751.	80,174,359.	<b>10c</b> 76,063,362.
	<b>11</b> Investments - publicly traded securities . . . . .	0.	<b>11</b>	0.
	<b>12</b> Investments - other securities. See Part IV, line 11 . . . . .	0.	<b>12</b>	0.
	<b>13</b> Investments - program-related. See Part IV, line 11. . . . .	2,087,709.	<b>13</b>	2,267,251.
	<b>14</b> Intangible assets . . . . .	13,156,777.	<b>14</b>	13,156,777.
	<b>15</b> Other assets. See Part IV, line 11 . . . . .	909,862.	<b>15</b>	27,746,408.
<b>16 Total assets.</b> Add lines 1 through 15 (must equal line 33) . . . . .	110,346,458.	<b>16</b>	135,142,639.	
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses . . . . .	4,797,798.	<b>17</b>	6,848,690.
	<b>18</b> Grants payable . . . . .	0.	<b>18</b>	0.
	<b>19</b> Deferred revenue . . . . .	0.	<b>19</b>	0.
	<b>20</b> Tax-exempt bond liabilities . . . . .	38,464,541.	<b>20</b>	38,424,247.
	<b>21</b> Escrow or custodial account liability. Complete Part IV of Schedule D. . . . .	0.	<b>21</b>	0.
	<b>22</b> Loans and other payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons . . . . .	0.	<b>22</b>	0.
	<b>23</b> Secured mortgages and notes payable to unrelated third parties . . . . .	0.	<b>23</b>	0.
	<b>24</b> Unsecured notes and loans payable to unrelated third parties . . . . .	0.	<b>24</b>	0.
	<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 . . . . .	7,135,028.	<b>25</b>	35,434,669.
	<b>26 Total liabilities.</b> Add lines 17 through 25 . . . . .	50,397,367.	<b>26</b>	80,707,606.
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow FASB ASC 958, check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27, 28, 32, and 33.</b>			
	<b>27</b> Net assets without donor restrictions . . . . .	57,885,909.	<b>27</b>	52,204,282.
	<b>28</b> Net assets with donor restrictions . . . . .	2,063,182.	<b>28</b>	2,230,751.
	<b>Organizations that do not follow FASB ASC 958, check here</b> <input type="checkbox"/> <b>and complete lines 29 through 33.</b>			
	<b>29</b> Capital stock or trust principal, or current funds . . . . .		<b>29</b>	
	<b>30</b> Paid-in or capital surplus, or land, building, or equipment fund . . . . .		<b>30</b>	
	<b>31</b> Retained earnings, endowment, accumulated income, or other funds . . . . .		<b>31</b>	
<b>32</b> Total net assets or fund balances . . . . .	59,949,091.	<b>32</b>	54,435,033.	
<b>33</b> Total liabilities and net assets/fund balances . . . . .	110,346,458.	<b>33</b>	135,142,639.	

**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>	130,773,750.
<b>2</b>	Total expenses (must equal Part IX, column (A), line 25)	<b>2</b>	136,237,326.
<b>3</b>	Revenue less expenses. Subtract line 2 from line 1	<b>3</b>	-5,463,576.
<b>4</b>	Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A))	<b>4</b>	59,949,091.
<b>5</b>	Net unrealized gains (losses) on investments	<b>5</b>	1,773.
<b>6</b>	Donated services and use of facilities	<b>6</b>	0.
<b>7</b>	Investment expenses	<b>7</b>	0.
<b>8</b>	Prior period adjustments	<b>8</b>	0.
<b>9</b>	Other changes in net assets or fund balances (explain on Schedule O)	<b>9</b>	-52,255.
<b>10</b>	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B))	<b>10</b>	54,435,033.

**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 on 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 on Schedule O and describe any steps taken to undergo such audits . . . . .	X	

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

**Public Charity Status and Public Support**

OMB No. 1545-0047

**2019**

**Open to Public Inspection**

Department of the Treasury  
Internal Revenue Service

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ.

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

Name of the organization

ST. LUKE'S WARREN HOSPITAL, INC.

Employer identification number

22-1494454

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

The organization is not a private foundation because it is: (For lines 1 through 12, check only one box.)

- 1  A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2  A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E (Form 990 or 990-EZ).)
- 3  A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4  A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: \_\_\_\_\_
- 5  An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6  A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7  An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8  A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9  An agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university: \_\_\_\_\_
- 10  An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 11  An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 12  An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2)**. See **section 509(a)(3)**.  
Check the box in lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.
  - a  **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
  - b  **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
  - c  **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
  - d  **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
  - e  Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.
  - f Enter the number of supported organizations . . . . .
  - g Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-10 above (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			Yes	No		
(A)						
(B)						
(C)						
(D)						
(E)						
<b>Total</b>						

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

Schedule A (Form 990 or 990-EZ) 2019

**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) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(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) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(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) . . . . .					<b>12</b>	
<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 2019 (line 6, column (f) divided by line 11, column (f)). . . . .	<b>14</b>	%
<b>15</b> Public support percentage from 2018 Schedule A, Part II, line 14 . . . . .	<b>15</b>	%
<b>16a 33 1/3% support test - 2019.</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 - 2018.</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 - 2019.</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 - 2018.</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) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(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) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(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 2019 (line 8, column (f), divided by line 13, column (f)) . . . . .	<b>15</b>	%
<b>16</b> Public support percentage from 2018 Schedule A, Part III, line 15 . . . . .	<b>16</b>	%

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

<b>17</b> Investment income percentage for <b>2019</b> (line 10c, column (f), divided by line 13, column (f)) . . . . .	<b>17</b>	%
<b>18</b> Investment income percentage from <b>2018</b> Schedule A, Part III, line 17 . . . . .	<b>18</b>	%

**19a 33 1/3% support tests - 2019.** 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 - 2018.** 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
1 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>		
2 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>		
3a 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 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>		
c 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>		
4a 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 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>		
c 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>		
5a 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?		
c <b>Substitutions only.</b> Was the substitution the result of an event beyond the organization's control?		
6 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>		
7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (as 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>		
8 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>		
9a 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 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>		
c 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>		
10a 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 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>11 a</b>	
<b>b</b>	A family member of a person described in (a) above?	<b>11 b</b>	
<b>c</b>	A 35% controlled entity of a person described in (a) or (b) above? <i>If "Yes" to a, b, or c, provide detail in Part VI.</i>	<b>11 c</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? <i>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.</i>	<b>1</b>	
<b>2</b>	Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? <i>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.</i>	<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)? <i>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).</i>	<b>1</b>	

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

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

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

<b>1</b>	Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).		
<b>a</b>	<input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below.		
<b>b</b>	<input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below.		
<b>c</b>	<input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions).		
<b>2</b>	Activities Test. Answer (a) and (b) below.		
<b>a</b>	Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? <i>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.</i>	<b>2a</b>	
<b>b</b>	Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? <i>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.</i>	<b>2b</b>	
<b>3</b>	Parent of Supported Organizations. Answer (a) and (b) below.		
<b>a</b>	Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? <i>Provide details in Part VI.</i>	<b>3a</b>	
<b>b</b>	Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? <i>If "Yes," describe in Part VI the role played by the organization in this regard.</i>	<b>3b</b>	

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

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)
<b>1</b> Net short-term capital gain	<b>1</b>		
<b>2</b> Recoveries of prior-year distributions	<b>2</b>		
<b>3</b> Other gross income (see instructions)	<b>3</b>		
<b>4</b> Add lines 1 through 3.	<b>4</b>		
<b>5</b> Depreciation and depletion	<b>5</b>		
<b>6</b> 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)	<b>6</b>		
<b>7</b> Other expenses (see instructions)	<b>7</b>		
<b>8 Adjusted Net Income</b> (subtract lines 5, 6, and 7 from line 4)	<b>8</b>		
<b>Section B - Minimum Asset Amount</b>		(A) Prior Year	(B) Current Year (optional)
<b>1</b> Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):			
<b>a</b> Average monthly value of securities	<b>1a</b>		
<b>b</b> Average monthly cash balances	<b>1b</b>		
<b>c</b> Fair market value of other non-exempt-use assets	<b>1c</b>		
<b>d Total</b> (add lines 1a, 1b, and 1c)	<b>1d</b>		
<b>e Discount</b> claimed for blockage or other factors (explain in detail in <b>Part VI</b> ):			
<b>2</b> Acquisition indebtedness applicable to non-exempt-use assets	<b>2</b>		
<b>3</b> Subtract line 2 from line 1d.	<b>3</b>		
<b>4</b> Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions).	<b>4</b>		
<b>5</b> Net value of non-exempt-use assets (subtract line 4 from line 3)	<b>5</b>		
<b>6</b> Multiply line 5 by .035.	<b>6</b>		
<b>7</b> Recoveries of prior-year distributions	<b>7</b>		
<b>8 Minimum Asset Amount</b> (add line 7 to line 6)	<b>8</b>		
<b>Section C - Distributable Amount</b>			Current Year
<b>1</b> Adjusted net income for prior year (from Section A, line 8, Column A)	<b>1</b>		
<b>2</b> Enter 85% of line 1.	<b>2</b>		
<b>3</b> Minimum asset amount for prior year (from Section B, line 8, Column A)	<b>3</b>		
<b>4</b> Enter greater of line 2 or line 3.	<b>4</b>		
<b>5</b> Income tax imposed in prior year	<b>5</b>		
<b>6 Distributable Amount.</b> Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions).	<b>6</b>		
<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) 2019

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

Section D - Distributions	Current Year
1 Amounts paid to supported organizations to accomplish exempt purposes	
2 Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
3 Administrative expenses paid to accomplish exempt purposes of supported organizations	
4 Amounts paid to acquire exempt-use assets	
5 Qualified set-aside amounts (prior IRS approval required)	
6 Other distributions (describe in Part VI). See instructions.	
7 <b>Total annual distributions.</b> Add lines 1 through 6.	
8 Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI). See instructions.	
9 Distributable amount for 2019 from Section C, line 6	
10 Line 8 amount divided by line 9 amount	

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2019	(iii) Distributable Amount for 2019
1 Distributable amount for 2019 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2019 (reasonable cause required - explain in Part VI). See instructions.			
3 Excess distributions carryover, if any, to 2019			
a From 2014 . . . . .			
b From 2015 . . . . .			
c From 2016 . . . . .			
d From 2017 . . . . .			
e From 2018 . . . . .			
f <b>Total</b> of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2019 distributable amount			
i Carryover from 2014 not applied (see instructions)			
j Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
4 Distributions for 2019 from Section D, line 7:                     \$			
a Applied to underdistributions of prior years			
b Applied to 2019 distributable amount			
c Remainder. Subtract lines 4a and 4b from 4.			
5 Remaining underdistributions for years prior to 2019, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in Part VI. See instructions.			
6 Remaining underdistributions for 2019. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in Part VI. See instructions.			
7 <b>Excess distributions carryover to 2020.</b> Add lines 3j and 4c.			
8 Breakdown of line 7:			
a Excess from 2015 . . . . .			
b Excess from 2016 . . . . .			
c Excess from 2017 . . . . .			
d Excess from 2018 . . . . .			
e Excess from 2019 . . . . .			

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**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.)

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

**Political Campaign and Lobbying Activities**

OMB No. 1545-0047

**2019**

**Open to Public Inspection**

**For Organizations Exempt From Income Tax Under section 501(c) and section 527**

▶ **Complete if the organization is described below.** ▶ **Attach to Form 990 or Form 990-EZ.**

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

Department of the Treasury  
Internal Revenue Service

**If the organization answered "Yes," on Form 990, Part IV, line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then**

- Section 501(c)(3) organizations: Complete Parts I-A and B. Do not complete Part I-C.
- Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below. Do not complete Part I-B.
- Section 527 organizations: Complete Part I-A only.

**If the organization answered "Yes," on Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then**

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)): Complete Part II-A. Do not complete Part II-B.
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)): Complete Part II-B. Do not complete Part II-A.

**If the organization answered "Yes," on Form 990, Part IV, line 5 (Proxy Tax) (see separate instructions) or Form 990-EZ, Part V, line 35c (Proxy Tax) (see separate instructions), then**

- Section 501(c)(4), (5), or (6) organizations: Complete Part III.

Name of organization ST. LUKE'S WARREN HOSPITAL, INC.	Employer identification number 22-1494454
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**Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.**

- 1 Provide a description of the organization's direct and indirect political campaign activities in Part IV. (see instructions for definition of "political campaign activities")
- 2 Political campaign activity expenditures (see instructions) ▶ \$ \_\_\_\_\_
- 3 Volunteer hours for political campaign activities (see instructions) . . . . .

**Part I-B Complete if the organization is exempt under section 501(c)(3).**

- 1 Enter the amount of any excise tax incurred by the organization under section 4955. . . . . ▶ \$ \_\_\_\_\_
- 2 Enter the amount of any excise tax incurred by organization managers under section 4955 . . . . . ▶ \$ \_\_\_\_\_
- 3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? . . . . .  Yes  No
- 4a Was a correction made? . . . . .  Yes  No
- b If "Yes," describe in Part IV.

**Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3).**

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities. . . . . ▶ \$ \_\_\_\_\_
- 2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities . . . . . ▶ \$ \_\_\_\_\_
- 3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL, line 17b . . . . . ▶ \$ \_\_\_\_\_
- 4 Did the filing organization file **Form 1120-POL** for this year? . . . . .  Yes  No
- 5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds. If none, enter -0-.	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-.
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				

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

Schedule C (Form 990 or 990-EZ) 2019

**Part II-A Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).**

**A** Check  if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures).

**B** Check  if the filing organization checked box A and "limited control" provisions apply.

<b>Limits on Lobbying Expenditures</b> (The term "expenditures" means amounts paid or incurred.)		(a) Filing organization's totals	(b) Affiliated group totals												
<b>1a</b> Total lobbying expenditures to influence public opinion (grassroots lobbying) . . . . .															
<b>b</b> Total lobbying expenditures to influence a legislative body (direct lobbying) . . . . .															
<b>c</b> Total lobbying expenditures (add lines 1a and 1b) . . . . .															
<b>d</b> Other exempt purpose expenditures . . . . .															
<b>e</b> Total exempt purpose expenditures (add lines 1c and 1d) . . . . .															
<b>f</b> Lobbying nontaxable amount. Enter the amount from the following table in both columns.															
<table border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: left;">If the amount on line 1e, column (a) or (b) is:</th> <th style="text-align: left;">The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e.</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000.</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000.</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000.</td> </tr> </tbody> </table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e.	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.	Over \$17,000,000	\$1,000,000.		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e.														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.														
Over \$17,000,000	\$1,000,000.														
<b>g</b> Grassroots nontaxable amount (enter 25% of line 1f) . . . . .															
<b>h</b> Subtract line 1g from line 1a. If zero or less, enter -0- . . . . .															
<b>i</b> Subtract line 1f from line 1c. If zero or less, enter -0- . . . . .															
<b>j</b> If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? . . . . .			<input type="checkbox"/> Yes <input type="checkbox"/> No												

**4-Year Averaging Period Under Section 501(h)**

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the separate instructions for lines 2a through 2f.)

<b>Lobbying Expenditures During 4-Year Averaging Period</b>					
Calendar year (or fiscal year beginning in)	(a) 2016	(b) 2017	(c) 2018	(d) 2019	(e) Total
<b>2a</b> Lobbying nontaxable amount					
<b>b</b> Lobbying ceiling amount (150% of line 2a, column (e))					
<b>c</b> Total lobbying expenditures					
<b>d</b> Grassroots nontaxable amount					
<b>e</b> Grassroots ceiling amount (150% of line 2d, column (e))					
<b>f</b> Grassroots lobbying expenditures					

Part II-B Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).

Table with 3 main columns: (a) Yes/No, (b) Amount. Rows include: 1 During the year, did the filing organization attempt to influence foreign, national, state, or local legislation...; a Volunteers?; b Paid staff or management...; c Media advertisements?; d Mailings to members...; e Publications...; f Grants to other organizations...; g Direct contact with legislators...; h Rallies, demonstrations...; i Other activities?; j Total...; 2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?; b If "Yes," enter the amount of any tax incurred under section 4912; c If "Yes," enter the amount of any tax incurred by organization managers under section 4912; d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?

Part III-A Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

Table with 3 columns: Question, Yes, No. Rows include: 1 Were substantially all (90% or more) dues received nondeductible by members?; 2 Did the organization make only in-house lobbying expenditures of \$2,000 or less?; 3 Did the organization agree to carry over lobbying and political campaign activity expenditures from the prior year?

Part III-B Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No" OR (b) Part III-A, line 3, is answered "Yes."

Table with 2 main columns: Question, Amount. Rows include: 1 Dues, assessments and similar amounts from members; 2 Section 162(e) nondeductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid); a Current year; b Carryover from last year; c Total; 3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues; 4 If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?; 5 Taxable amount of lobbying and political expenditures (see instructions)

Part IV Supplemental Information

Provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; Part II-A (affiliated group list); Part II-A, lines 1 and 2 (see instructions); and Part II-B, line 1. Also, complete this part for any additional information.

SEE PAGE 4

**Part IV** Supplemental Information (continued)

## SCHEDULE C, PART II-B; QUESTION 1

THE ORGANIZATION IS AN AFFILIATE WITHIN ST. LUKE'S UNIVERSITY HEALTH NETWORK ("NETWORK"); A TAX-EXEMPT INTEGRATED HEALTHCARE DELIVERY NETWORK. ST. LUKE'S HOSPITAL OF BETHLEHEM, PENNSYLVANIA; A RELATED INTERNAL REVENUE CODE SECTION 501(C)(3) TAX-EXEMPT HOSPITAL ORGANIZATION, PAYS ALL LOBBYING EXPENDITURES ON BEHALF OF ALL AFFILIATES WITHIN THE NETWORK AND ALLOCATES A PERCENTAGE OF THESE EXPENDITURES TO VARIOUS AFFILIATES. THESE LOBBYING EXPENDITURES INCLUDE (1) PAYMENT TO AN OUTSIDE INDEPENDENT FIRM, (2) AN ALLOCATED PORTION OF THE DUES PAID TO THE NEW JERSEY HOSPITAL ASSOCIATION AND (3) A PERCENTAGE OF TOTAL COMPENSATION PAID TO THE SYSTEM'S SENIOR VICE PRESIDENT/GENERAL COUNSEL TO REPRESENT TIME SPENT ADDRESSING FEDERAL AND STATE HEALTHCARE MATTERS. THE AMOUNT ALLOCATED TO THIS ORGANIZATION ATTRIBUTABLE TO LOBBYING ACTIVITY FOR THE YEAR ENDED JUNE 30, 2020 IS \$10,706.

SCHEDULE D (Form 990)

Supplemental Financial Statements

OMB No. 1545-0047

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.

2019

Attach to Form 990.

Open to Public Inspection

Department of the Treasury Internal Revenue Service

Go to www.irs.gov/Form990 for instructions and the latest information.

Name of the organization

Employer identification number

ST. LUKE'S WARREN HOSPITAL, INC.

22-1494454

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.

Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows include: 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?, 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?

Part II Conservation Easements.

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

Table with 2 columns: Description, Held at the End of the Tax Year. Rows include: 1 Purpose(s) of conservation easements held by the organization (check all that apply), 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, 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?, 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)?, 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.

Table with 2 columns: Description, Amount. Rows include: 1a If the organization elected, as permitted under FASB 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., 1b If the organization elected, as permitted under FASB 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 FASB ASC 958 relating to these items: a Revenue included on Form 990, Part VIII, line 1., b Assets included in Form 990, Part X.

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

Schedule D (Form 990) 2019

**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 make 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 program
  - 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    |
|--|-----------|
| <b>c</b> Beginning balance . . . . .             | <b>1c</b> |
| <b>d</b> Additions during the year . . . . .     | <b>1d</b> |
| <b>e</b> Distributions during the year . . . . . | <b>1e</b> |
| <b>f</b> Ending balance . . . . .                | <b>1f</b> |
- 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
<b>1a</b> Beginning of year balance . . . . .	2,063,182.	2,103,083.	1,925,366.	1,763,443.	1,563,796.
<b>b</b> Contributions . . . . .	167,042.	17,371.	204,189.	144,090.	
<b>c</b> Net investment earnings, gains, and losses . . . . .	19,326.	28,957.	33,424.	46,180.	199,647.
<b>d</b> Grants or scholarships . . . . .					
<b>e</b> Other expenditures for facilities and programs . . . . .	18,799.	86,229.	59,896.	28,347.	
<b>f</b> Administrative expenses . . . . .					
<b>g</b> End of year balance . . . . .	2,230,751.	2,063,182.	2,103,083.	1,925,366.	1,763,443.

**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** Term endowment  100.0000 %

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:

- (i)** Unrelated organizations . . . . .
- (ii)** Related organizations . . . . .

	Yes	No
<b>3a(i)</b>	X	
<b>3a(ii)</b>		X
<b>3b</b>		

**b** If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R? . . . . .

**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
<b>1a</b> Land . . . . .		2,482,944.		2,482,944.
<b>b</b> Buildings . . . . .		130,719,989.	70,770,790.	59,949,199.
<b>c</b> Leasehold improvements . . . . .		3,777,215.	2,360,184.	1,417,031.
<b>d</b> Equipment . . . . .		65,536,343.	54,134,054.	11,402,289.
<b>e</b> Other . . . . .		1,976,622.	1,164,723.	811,899.
<b>Total.</b> Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.) . . . . .				76,063,362.

**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> (Column (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> (Column (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) OTHER RECEIVABLES	234,462.
(2) OTHER ASSETS	129,186.
(3) DUE TO THIRD PARTIES	16,024,395.
(4) 3RD PARTY PAYOR RECEIVABLE	381,655.
(5) RIGHT OF USE ASSET	10,976,710.
(6)	
(7)	
(8)	
(9)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 15.) . . . . . ▶	27,746,408.

**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) ACCRUED INTEREST PAYABLE	644,672.
(3) SELF INSURANCE RESERVES	1,490,000.
(4) OTHER LIABILITIES	579,854.
(5) THIRD-PARTY PAYOR SETTLEMENTS	2,308,967.
(6) ADVANCE 3RD PARTY PAYOR SETTLEMENTS	19,372,198.
(7) LEASE LIABILITY	11,038,978.
(8)	
(9)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 25.) . . . . . ▶	35,434,669.

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 FASB ASC 740. Check here if the text of the footnote has been provided in Part XIII



**Part XIII** Supplemental Information (continued)

SCHEDULE D, PART V; QUESTION 4

THE ORGANIZATION IS AN AFFILIATE WITHIN ST. LUKE'S UNIVERSITY HEALTH NETWORK ("NETWORK"); A TAX-EXEMPT INTEGRATED HEALTHCARE DELIVERY NETWORK. ST. LUKE'S HEALTH NETWORK, INC. IS THE TAX-EXEMPT PARENT ENTITY OF THE NETWORK. ST. LUKE'S HEALTH NETWORK, INC. IS THE TAX-EXEMPT PARENT ENTITY OF THE NETWORK. AN INDEPENDENT CERTIFIED PUBLIC ACCOUNTING ("CPA") FIRM AUDITED THE CONSOLIDATED FINANCIAL STATEMENTS OF THE NETWORK AND ITS CONTROLLED AFFILIATES FOR THE YEARS ENDED JUNE 30, 2020 AND JUNE 30, 2019; RESPECTIVELY AND ISSUED A CONSOLIDATED FINANCIAL STATEMENT. THE FOLLOWING FOOTNOTE IS INCLUDED IN THE NETWORK'S AUDITED CONSOLIDATED FINANCIAL STATEMENTS THAT ADDRESSES THE NETWORK'S ENDOWMENT FUNDS:

THE NETWORK'S ENDOWMENT CONSISTS OF APPROXIMATELY \$53,846,148 INDIVIDUAL DONOR RESTRICTED ENDOWMENT FUNDS AND \$2,596,705 BOARD-DESIGNATED ENDOWMENT FUNDS FOR A VARIETY OF PURPOSES PLUS THE FOLLOWING WHERE THE ASSETS HAVE BEEN DESIGNATED FOR ENDOWMENT: SPLIT INTEREST AGREEMENTS, AND OTHER NET ASSETS. THE ENDOWMENT INCLUDES BOTH DONOR-RESTRICTED ENDOWMENT FUNDS AND FUNDS DESIGNATED BY THE BOARD OF TRUSTEES TO FUNCTION AS ENDOWMENTS. THE NET ASSETS ASSOCIATED WITH ENDOWMENT FUNDS INCLUDING FUNDS DESIGNATED BY THE BOARD OF TRUSTEES TO FUNCTION AS ENDOWMENTS, ARE CLASSIFIED AND REPORTED BASED ON THE EXISTENCE OR ABSENCE OF DONOR IMPOSED RESTRICTIONS.

RETURN OBJECTIVES AND RISK PARAMETERS

THE NETWORK HAS ADOPTED ENDOWMENT INVESTMENT AND SPENDING POLICIES THAT

**Part XIII** Supplemental Information (continued)

ATTEMPT TO PROVIDE A PREDICTABLE STREAM OF FUNDING TO PROGRAMS SUPPORTED BY ITS ENDOWMENT WHILE SEEKING TO MAINTAIN THE PURCHASING POWER OF ENDOWMENT ASSETS. UNDER THIS POLICY, THE RETURN OBJECTIVE FOR THE ENDOWMENT ASSETS, MEASURED OVER A FULL MARKET CYCLE, SHALL BE TO MAXIMIZE THE RETURN AGAINST A BLENDED INDEX, BASED ON THE ENDOWMENT'S TARGET ALLOCATION APPLIED TO THE APPROPRIATE INDIVIDUAL BENCHMARKS. THE NETWORK EXPECTS ITS ENDOWMENT FUNDS OVER TIME, TO PROVIDE AN AVERAGE RATE OF RETURN APPROXIMATING THE S&P 500 STOCK INDEX (DOMESTIC PORTION), MSCI EAFE INDEX (INTERNATIONAL PORTION) AND LEHMAN BROTHERS INTERMEDIATE GOVERNMENT/CORPORATE INDEX (BOND PORTION). ACTUAL RETURNS IN ANY GIVEN YEAR MAY VARY FROM THE INDEX RETURN AMOUNTS.

## STRATEGIES EMPLOYED FOR ACHIEVING INVESTMENT OBJECTIVES

TO ACHIEVE ITS LONG-TERM RATE OF RETURN OBJECTIVES, THE NETWORK RELIES ON A TOTAL RETURN STRATEGY IN WHICH INVESTMENT RETURNS ARE ACHIEVED THROUGH BOTH CAPITAL APPRECIATION (REALIZED AND UNREALIZED GAINS) AND CURRENT YIELD (INTEREST AND DIVIDENDS). THE NETWORK TARGETS A DIVERSIFIED ASSET ALLOCATION THAT PLACES GREATER EMPHASIS ON EQUITY-BASED INVESTMENTS TO ACHIEVE ITS LONG-TERM OBJECTIVES WITHIN PRUDENT RISK CONSTRAINTS.

ENDOWMENT SPENDING ALLOCATION AND RELATIONSHIP OF SPENDING POLICY TO INVESTMENT OBJECTIVES

THE BOARD OF TRUSTEES OF THE NETWORK DETERMINES THE METHOD TO BE USED TO APPROPRIATE ENDOWMENT FUNDS FOR EXPENDITURE. CALCULATIONS ARE PERFORMED FOR INDIVIDUAL ENDOWMENT FUNDS AT A RATE OF 4.5% OF A THREE-YEAR MOVING

**Part XIII** Supplemental Information *(continued)*

AVERAGE MARKET VALUE WITH A MINIMUM INCREASE OF 0% AND A MAXIMUM INCREASE OF 10% PER YEAR OVER THE PREVIOUS YEAR'S SPENDING AMOUNT. THE TOTAL IS REDUCED BY THE INCOME DISTRIBUTED FROM THE ENDOWMENT FUND IN ACCORDANCE WITH THE PREFERENCES/RESTRICTIONS MADE BY THE DONORS. THE CORRESPONDING CALCULATED SPENDING ALLOCATIONS ARE DISTRIBUTED ANNUALLY BY JUNE 30. IN ESTABLISHING THIS POLICY, THE BOARD CONSIDERED THE EXPECTED LONG TERM RATE OF RETURN ON ITS ENDOWMENT. ACCORDINGLY, OVER THE LONG TERM, THE NETWORK EXPECTS THE CURRENT SPENDING POLICY TO ALLOW ITS ENDOWMENT TO GROW AT AN AVERAGE OF 8% PERCENT ANNUALLY, CONSISTENT WITH ITS INTENTION TO MAINTAIN THE PURCHASING POWER OF THE ENDOWMENT ASSETS AS WELL AS TO PROVIDE ADDITIONAL REAL GROWTH THROUGH NEW GIFTS.

**SCHEDULE H  
(Form 990)**

**Hospitals**

OMB No. 1545-0047

**2019**

**Open to Public Inspection**

▶ **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.**

Department of the Treasury  
Internal Revenue Service

Name of the organization

ST. LUKE'S WARREN HOSPITAL, INC.

Employer identification number

22-1494454

**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>1b</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: <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input checked="" type="checkbox"/> 200% <input type="checkbox"/> Other _____ %	X	
<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: . . . . . <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input checked="" type="checkbox"/> Other <u>500.0000</u> %	X	
<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>5b</b> If "Yes," did the organization's financial assistance expenses exceed the budgeted amount? . . . . .		X
<b>5c</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? . . . . .		
<b>6a</b> Did the organization prepare a community benefit report during the tax year? . . . . .		X
<b>6b</b> If "Yes," did the organization make it available to the public? . . . . .		

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

Financial Assistance and Means-Tested Government Programs	(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>a</b> Financial Assistance at cost (from Worksheet 1) . . . . .			1,643,613.	127,360.	1,516,253.	1.11
<b>b</b> Medicaid (from Worksheet 3, column a) . . . . .			20,173,560.	9,830,660.	10,342,900.	7.59
<b>c</b> Costs of other means-tested government programs (from Worksheet 3, column b) . . . . .						
<b>d Total.</b> Financial Assistance and Means-Tested Government Programs . . . . .			21,817,173.	9,958,020.	11,859,153.	8.70
<b>Other Benefits</b>						
<b>e</b> Community health improvement services and community benefit operations (from Worksheet 4) . . . . .			1,608,233.	142,555.	1,465,678.	1.08
<b>f</b> Health professions education (from Worksheet 5) . . . . .			4,407,134.	2,208,071.	2,199,063.	1.61
<b>g</b> Subsidized health services (from Worksheet 6) . . . . .			2,610,644.	173,719.	2,436,925.	1.79
<b>h</b> Research (from Worksheet 7)						
<b>i</b> Cash and in-kind contributions for community benefit (from Worksheet 8) . . . . .			7,957.		7,957.	.01
<b>j Total.</b> Other Benefits . . . . .			8,633,968.	2,524,345.	6,109,623.	4.49
<b>k Total.</b> Add lines 7d and 7j . . . . .			30,451,141.	12,482,365.	17,968,776.	13.19

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

Schedule H (Form 990) 2019

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support						
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development						
9 Other						
10 Total						

**Part III Bad Debt, Medicare, & Collection Practices**

		Yes	No
<b>Section A. Bad Debt Expense</b>			
1 Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15? . . . . .	<b>1</b>	X	
2 Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount. . . . .	<b>2</b>		
3 Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit . . . . .	<b>3</b>		
4 Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements.			
<b>Section B. Medicare</b>			
5 Enter total revenue received from Medicare (including DSH and IME) . . . . .	<b>5</b>		
6 Enter Medicare allowable costs of care relating to payments on line 5 . . . . .	<b>6</b>		
7 Subtract line 6 from line 5. This is the surplus (or shortfall) . . . . .	<b>7</b>		
8 Describe in Part VI the extent to which any shortfall reported on line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other			
<b>Section C. Collection Practices</b>			
9a Did the organization have a written debt collection policy during the tax year? . . . . .	<b>9a</b>	X	
b If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI . . . . .	<b>9b</b>	X	

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

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				

**Part V Facility Information**

**Section A. Hospital Facilities**

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

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

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

**1** ST. LUKE'S WARREN HOSPITAL, INC.  
 185 ROSEBERRY STREET  
 PHILLIPSBURG NJ 08865  
 WWW.SLHN.ORG  
 12102

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

Part V Facility Information (continued)

Section B. Facility Policies and Practices

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

Name of hospital facility or letter of facility reporting group ST. LUKE'S WARREN HOSPITAL, INC.

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

Community Health Needs Assessment

Table with 3 columns: Question, Yes, No. Rows include questions 1 through 12b regarding CHNA requirements, implementation strategies, and excise taxes.

**Part V Facility Information (continued)**

**Financial Assistance Policy (FAP)**

Name of hospital facility or letter of facility reporting group ST. LUKE'S WARREN HOSPITAL, INC.

		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? If "Yes," indicate the eligibility criteria explained in the FAP:	X	
<b>a</b>	<input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>200.0000</u> % and FPG family income limit for eligibility for discounted care of <u>500.0000</u> %		
<b>b</b>	<input type="checkbox"/> Income level other than FPG (describe in Section C)		
<b>c</b>	<input checked="" type="checkbox"/> Asset level		
<b>d</b>	<input checked="" type="checkbox"/> Medical indigency		
<b>e</b>	<input checked="" type="checkbox"/> Insurance status		
<b>f</b>	<input checked="" type="checkbox"/> Underinsurance status		
<b>g</b>	<input checked="" 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>WWW.SLHN.ORG</u>		
<b>b</b>	<input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url): <u>WWW.SLHN.ORG</u>		
<b>c</b>	<input checked="" type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url): <u>WWW.SLHN.ORG</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 Limited English Proficiency (LEP) populations		
<b>j</b>	<input checked="" type="checkbox"/> Other (describe in Section C)		

**Part V Facility Information** (continued)

**Billing and Collections**

Name of hospital facility or letter of facility reporting group ST. LUKE'S WARREN HOSPITAL, INC.

		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? . . . . . If "Yes," check all actions in which the hospital facility or a third party engaged:		X
<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 (if not, describe in Section C)		
<b>b</b>	<input checked="" type="checkbox"/> Made a reasonable effort to orally notify individuals about the FAP and FAP application process (if not, describe in Section C)		
<b>c</b>	<input checked="" type="checkbox"/> Processed incomplete and complete FAP applications (if not, describe in Section C)		
<b>d</b>	<input checked="" type="checkbox"/> Made presumptive eligibility determinations (if not, describe in Section C)		
<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**

		Yes	No
<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 WARREN HOSPITAL, INC.

		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

**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, 20a, 20b, 20c, 20d, 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.

SCHEDULE H, PART V, SECTION B, QUESTION 3I

IN 2019, THE ORGANIZATION COMPLETED A COMPREHENSIVE COMMUNITY HEALTH NEEDS ASSESSMENT ("CHNA") AND BEGAN A THREE - YEAR IMPLEMENTATION PLAN. FOR EACH SIGNIFICANT HEALTH NEED IDENTIFIED THROUGH THE CHNA THE ORGANIZATION DEVELOPED AN IMPLEMENTATION STRATEGY THAT DESCRIBED PLANS TO ADDRESS EACH IDENTIFIED HEALTH NEED.

THE ORGANIZATION'S MOST RECENT CHNA DOES NOT SPECIFICALLY DESCRIBE THE IMPACT OF ANY ACTIONS TAKEN TO ADDRESS THE SIGNIFICANT HEALTH NEEDS IDENTIFIED IN THE HOSPITAL'S PRIOR CHNA. HOWEVER, ANNUALLY THE ORGANIZATION PUBLICIZES INFORMATION ON IT'S WEBSITE WHICH DESCRIBES THE IMPACT OF ANY ACTIONS TAKEN TO ADDRESS THE SIGNIFICANT HEALTH NEEDS IDENTIFIED IN THE HOSPITAL'S MOST RECENTLY CONDUCTED CHNA. THE ORGANIZATION'S REPORT INCLUDES DETAIL WHICH SUMMARIZES AND EVALUATES MAJOR EFFORTS TIED TO THE ORGANIZATION'S 2019 IMPLEMENTATION PLAN. THE ORGANIZATION'S IMPLEMENTATION PLAN UPDATE IS MADE WIDELY AVAILABLE ON ITS WEBSITE AND CAN FOUND AT THE FOLLOWING URL:

[WWW.SLHN.ORG/COMMUNITY-HEALTH/COMMUNITY-HEALTH-NEEDS-ASSESSMENT/CAMPUS](http://WWW.SLHN.ORG/COMMUNITY-HEALTH/COMMUNITY-HEALTH-NEEDS-ASSESSMENT/CAMPUS)

SCHEDULE H, PART V, SECTION B, QUESTION 5

THE COMMUNITY HEALTH NEEDS ASSESSMENTS ("CHNA") FOR ST. LUKE'S HOSPITAL - WARREN CAMPUS WAS COMPRISED OF PRIMARY AND SECONDARY DATA. THE PRIMARY DATA WAS COLLECTED THROUGH KEY INFORMANT INTERVIEWS AND 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, 20a, 20b, 20c, 20d, 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.

SURVEYS, WHERE APPROXIMATELY 10,234 SURVEYS WERE CONDUCTED WITHIN THE NETWORK'S ELEVEN CAMPUS GEOGRAPHIC REGIONS. PRIMARY DATA WAS ALSO COLLECTED THROUGH CAMPUS SPECIFIC KEY STAKEHOLDER FOCUS GROUPS, WHERE THE MAIN PRIORITY HEALTH NEEDS WERE IDENTIFIED.

SECONDARY DATA INCLUDED THE USE OF COUNTY LEVEL, STATE LEVEL, AND NATIONAL LEVEL DATA OBTAINED VIA THE U.S. CENSUS, THE ROBERT WOOD JOHNSON FOUNDATION, VITAL STATISTICS, COMMUNITY COMMONS, THE AMERICAN COMMUNITY SURVEY, U.S. DEPARTMENT OF LABOR, THE BEHAVIORAL RISK FACTOR SURVEILLANCE SYSTEM AS WELL AS OTHER DATA SOURCES, WHICH CAN BE FOUND FOOTNOTED IN EACH CHNA.

THE NEEDS IDENTIFIED WITHIN EACH FOCUS GROUP WAS SUPPLEMENTED BY SURVEY DATA AND SECONDARY DATA IN ORDER TO PROVIDE A MORE COMPREHENSIVE PICTURE OF THE NEEDS IN EACH COMMUNITY AND THE OUTSIDE FACTORS AFFECTING THESE HEALTH ISSUES. THROUGH REVIEW OF THE PRIMARY AND SECONDARY DATA, THE NETWORK WAS ABLE TO CATEGORIZE THE IDENTIFIED HEALTH NEEDS INTO THREE MAJOR CATEGORIES FOR THE JUNE 30, 2019 - JUNE 30, 2022 CHNA CYCLE.

SCHEDULE H, PART V, SECTION B, QUESTIONS 6A & 6B

ST. LUKE'S WARREN HOSPITAL CONDUCTED ITS OWN CHNA DUE TO ITS SEPARATELY DEFINED PRIMARY SERVICE AREA. THE CHNA AND CHNA EXECUTIVE SUMMARY CAN BE FOUND ON THE ST. LUKE'S HEALTH NETWORK WEBSITE.

**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, 20a, 20b, 20c, 20d, 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.

THE ORGANIZATION'S CHNA IS THE RESULT OF A COLLABORATIVE EFFORT WITH VARIOUS COMMUNITY PARTNERS WHO WORKED TOGETHER TO IDENTIFY THE MOST-PRESSING HEALTHCARE NEEDS IN THE COMMUNITY.

AS OUTLINED IN THE APPENDIX OF THE ORGANIZATION'S CHNA THE ORGANIZATION'S COMMUNITY PARTNERS INCLUDE THE FOLLOWING:

- ABILITIES OF NORTHWEST JERSEY;
- ALTERNATIVES INC.;
- BRIDGEWAY PACT;
- CENTENARY COLLEGE;
- CHILD AND FAMILY RESOURCE SERVICES, NORWESCAP;
- COMMUNITY PREVENTION RESOURCES OF WARREN COUNTY;
- DEPARTMENT OF HUMAN SERVICES - EASTON COACH;
- DOMESTIC ABUSE AND SEXUAL ASSAULT CRISIS CENTER;
- EASTON/PHILLIPSBURG BRANCH OF THE GREATER VALLEY YMCA;
- FAMILY GUIDANCE CENTER OF WARREN COUNTY;
- FLORIO PERUCCI STEINHARDT & CAPPELLI LAW FIRM;
- FOOD BANK, NORWESCAP;
- HEAD START, NORWESCAP;
- LEGAL SERVICES OF NORTHWEST JERSEY - WARREN COUNTY;
- MENTAL HEALTH RECOVERY SERVICES OF WARREN AND CLINTON COUNTIES;
- NORTH JERSEY HEALTH CARE COLLABORATIVE;
- OFFICE OF THE PROSECUTOR WARREN COUNTY;
- OPIOIDS IN WARREN COUNTY;

**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, 20a, 20b, 20c, 20d, 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.

- PHILLIPSBURG AREA SCHOOL DISTRICT;
- PHILLIPSBURG HOUSING AUTHORITY;
- SLUHN NEW JERSEY PHYSICIANS GROUP;
- SLUHN WARREN COVENTRY FAMILY PRACTICE;
- SLUHN WARREN EMERGENCY DEPARTMENT;
- SWICK LAW OFFICE;
- TRANSOPTIONS;
- UNITED WAY OF NORTHERN NEW JERSEY;
- VISITING HOMEMAKER SERVICE OF WARREN COUNTY;
- WARREN COUNTY COMMUNITY COLLEGE;
- WARREN COUNTY DIVISION OF AGING AND DISABILITY;
- WARREN COUNTY DEPARTMENT OF HUMAN SERVICES;
- WARREN COUNTY HEALTH DEPARTMENT; AND
- ZUFALL HEALTH CENTER.

SCHEDULE H, PART V, SECTION B, QUESTION 7A

THE ORGANIZATION IS AN AFFILIATE WITHIN ST. LUKE'S UNIVERSITY HEALTH NETWORK; A TAX-EXEMPT INTEGRATED HEALTHCARE DELIVERY NETWORK ("NETWORK"). DUE TO CHARACTER LIMITATIONS, THE WEBSITE LISTED IN SCHEDULE H, PART V, SECTION B, QUESTION 7A, IS THE HOME PAGE FOR THE SYSTEM. THE ORGANIZATION'S CHNA CAN BE ACCESSED AT THE FOLLOWING PAGE INCLUDED IN THE NETWORK'S WEBSITE:

[WWW.SLHN.ORG/COMMUNITY-HEALTH/COMMUNITY-HEALTH-NEEDS-ASSESSMENT/CAMPUS](http://WWW.SLHN.ORG/COMMUNITY-HEALTH/COMMUNITY-HEALTH-NEEDS-ASSESSMENT/CAMPUS)

**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, 20a, 20b, 20c, 20d, 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.

SCHEDULE H, PART V, SECTION B, QUESTION 10

THE ORGANIZATION IS AN AFFILIATE WITHIN ST. LUKE'S UNIVERSITY HEALTH NETWORK; A TAX-EXEMPT INTEGRATED HEALTHCARE DELIVERY NETWORK ("NETWORK").

THE NETWORK CREATED A NETWORK WIDE JOINT IMPLEMENTATION STRATEGY TO ADDRESS ALL OF THE HEALTH NEEDS IDENTIFIED WITHIN EACH HOSPITAL FACILITY'S CHNA. DUE TO CHARACTER LIMITATIONS, THE WEBSITE LISTED IN SCHEDULE H, PART V, SECTION B, QUESTION 10, IS THE HOME PAGE FOR THE SYSTEM. THE NETWORK WIDE IMPLEMENTATION STRATEGY AN BE ACCESSED AT THE FOLLOWING PAGE INCLUDED IN THE NETWORK'S WEBSITE:

[WWW.SLHN.ORG/COMMUNITY-HEALTH/COMMUNITY-HEALTH-NEEDS-ASSESSMENT/CAMPUS](http://WWW.SLHN.ORG/COMMUNITY-HEALTH/COMMUNITY-HEALTH-NEEDS-ASSESSMENT/CAMPUS)

SCHEDULE H, PART V, SECTION B, QUESTION 11

THE ORGANIZATION'S CHNA WAS COMPLETED AND MADE WIDELY AVAILABLE PRIOR TO JUNE 30, 2019. THEREAFTER, A MULTI-DISCIPLINARY TEAM MET REGULARLY AND PARTICIPATED IN THE IMPLEMENTATION PLAN PROCESS. DURING THIS PROCESS AND THROUGH REVIEW OF THE PRIMARY AND SECONDARY DATA, THE ORGANIZATION WAS ABLE TO CATEGORIZE THE IDENTIFIED HEALTH NEEDS INTO THREE MAJOR CATEGORIES FOR THE 2019-2022 CHNA CYCLE. THESE PRIORITY HEALTH CATEGORIES INCLUDE:

- 1) IMPROVING ACCESS TO CARE/REDUCING HEALTH DISPARITIES;
- 2) PROMOTING HEALTHY LIFESTYLES AND PREVENTING CHRONIC DISEASE;
- 3) IMPROVING MENTAL/BEHAVIORAL 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, 20a, 20b, 20c, 20d, 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.

A NETWORK WIDE IMPLEMENTATION STRATEGY WAS CREATED TO ADDRESS THE THREE IDENTIFIED HEALTH PRIORITIES. THE IMPLEMENTATION STRATEGY WAS DEVELOPED TO CONTINUE ESTABLISHED EFFORTS AND FOSTER COMMUNITY COLLABORATION TO MEET THE IDENTIFIED HEALTH NEEDS, THROUGH THREE NETWORK-WIDE INITIATIVES (1) HEALTHY KIDS, BRIGHT FUTURES; (2) FIT FOR LIFE; AND (3) HEALTH FOR ALL.

THE NETWORK WIDE IMPLEMENTATION STRATEGY APPROACHES THE THREE HEALTH PRIORITY AREAS DETERMINED BY THE CHNA FROM THREE MAIN VANTAGES:

- 1) WELLNESS AND PREVENTION;
- 2) CARE TRANSFORMATION; AND
- 3) RESEARCH AND PARTNERSHIPS.

THESE PRIORITY HEALTH AREAS AND UNMET NEEDS IN THE IMPLEMENTATION PLAN ARE INTEGRAL TO OUR COMMUNITY BENEFIT STRATEGY. ST. LUKE'S LEADERS CONTINUE TO MONITOR NEW PROGRAM DEVELOPMENTS AND SERVICES IN ORDER TO MEET AND ADDRESS THESE NEEDS.

PROGRAMMING TO ADDRESS THE NEEDS IDENTIFIED IN THE CHNA IS CONDUCTED IN PARTNERSHIP WITH OVER 200 ORGANIZATIONS NETWORK WIDE, A COMPREHENSIVE LIST OF PARTNERS CAN BE FOUND ON THE LAST PAGE OF EACH OF THE CAMPUS SPECIFIC CHNAS.

**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, 20a, 20b, 20c, 20d, 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.

THE ST. LUKE'S UNIVERSITY HEALTH NETWORK CHNA IMPLEMENTATION STRATEGY AS WELL AS SEPARATE HOSPITAL CAMPUS IMPLEMENTATION UPDATES CAN BE VIEWED ON THE ORGANIZATION'S WEBSITE. THE IMPLEMENTATION STRATEGIES AND IMPLEMENTATION UPDATES INCLUDE AND DESCRIBE VARIOUS INITIATIVES AND PLANS IN PLACE TO ADDRESS THE UNMET NEEDS DISCOVERED THROUGH THE ORGANIZATION'S CHNA PROCESS. ANNUAL IMPLEMENTATION PLAN UPDATE REPORTS DESCRIBE EFFORTS UNDERTAKEN BY THE NETWORK TO ADDRESS THE CHNA IDENTIFIED NEEDS.

HOSPITALS ARE NOT REQUIRED TO, NOR CAN THEY MEET ALL OF THE UNMET NEEDS IN THEIR COMMUNITIES. ANY UNMET NEEDS NOT ADDRESSED BY THE ADOPTED IMPLEMENTATION PLAN ARE ALREADY BEING ADDRESSED IN THE SERVICE AREA BY THE HOSPITAL, OTHER HEALTHCARE PROVIDERS, GOVERNMENT, OR VARIOUS LOCAL NON-PROFIT ORGANIZATIONS IN THE COMMUNITY.

SCHEDULE H, PART V, SECTION B, QUESTION 16

THE ORGANIZATION IS AN AFFILIATE WITHIN ST. LUKE'S UNIVERSITY HEALTH NETWORK; A TAX-EXEMPT INTEGRATED HEALTHCARE DELIVERY NETWORK ("NETWORK"). DUE TO CHARACTER LIMITATIONS, THE WEBSITE LISTED IN SCHEDULE H, PART V, SECTION B, QUESTION 16, IS THE HOME PAGE FOR THE NETWORK. THE ORGANIZATION'S FINANCIAL ASSISTANCE POLICY, FINANCIAL ASSISTANCE APPLICATION AND PLAIN LANGUAGE SUMMARY ARE MADE WIDELY AVAILABLE ON THE ORGANIZATION'S WEBSITE. THESE DOCUMENTS CAN BE ACCESSED AT THE FOLLOWING PAGE INCLUDED IN THE NETWORK'S WEBSITE:

[WWW.SLHN.ORG/BILLPAY/POLICIES-AND-PROCEDURES/FINANCIAL-ASSISTANCE-POLICIES](http://WWW.SLHN.ORG/BILLPAY/POLICIES-AND-PROCEDURES/FINANCIAL-ASSISTANCE-POLICIES)

**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, 20a, 20b, 20c, 20d, 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.

SCHEDULE H, PART V, SECTION B, QUESTION 16J

OTHER MEASURES TO PUBLICIZE THE HOSPITAL'S FINANCIAL ASSISTANCE POLICY

INCLUDE INDIVIDUAL FINANCIAL COUNSELING MEETINGS WITH PATIENTS WITHOUT

HEALTH INSURANCE TO REVIEW THE FINANCIAL ASSISTANCE POLICY AND TO DISCUSS

PAYMENT OPTIONS.

**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? 10

Name and address	Type of Facility (describe)
<b>1</b> ST. LUKE'S HILLCREST - B&J, NEURO ASSOC. 755 MEMORIAL PARKWAY PHILLIPSBURG NJ 08865	OUTPATIENT SERVICES - RADIOLOGY, PT, LAB
<b>2</b> ROSEBERRY SURGICAL CENTER 195 ROSEBERRY STREET PHILLIPSBURG NJ 08865	OUTPATIENT SERVICES - SURGICAL SERVICES
<b>3</b> ST. LUKE'S BONE & JOINT INSTITUTE 755 MEMORIAL PARKWAY PHILLIPSBURG NJ 08865	OUTPATIENT SERVICES - RADIOLOGY & PHYSICAL THERAPY - BLOOD DRAW LAB
<b>4</b> ST. LUKE'S HILLCREST - COVENTRY FP & ADA 755 MEMORIAL PARKWAY PHILLIPSBURG NJ 08865	OUTPATIENT SERVICES - FAMILY MEDICINE CLINIC
<b>5</b> ST. LUKE'S CARE NOW - CLINTON 22 WALMART PLAZA CLINTON NJ 08809	OUTPATIENT SERVICES - VARIOUS
<b>6</b> ST. LUKE'S WARREN HILLS - FP, CARDIO 315 ROUTE 31 SOUTH WASHINGTON NJ 07882	OUTPATIENT SERVICES - VARIOUS
<b>7</b> ST. LUKE'S HILLCREST - AUDIO & ENT 755 MEMORIAL PARKWAY PHILLIPSBURG NJ 08865	OUTPATIENT SERVICES - TESTING
<b>8</b> ST. LUKE'S PHILLIPSBURG SLEEP CENTER 89 ROSEBERRY STREET PHILLIPSBURG NJ 08865	OUTPATIENT SERVICES - SLEEP CENTER
<b>9</b> ST. LUKE'S CARE NOW - BELVIDERE 187 COUNTY ROAD 519 BELVIDERE NJ 07823	OUTPATIENT SERVICES - VARIOUS
<b>10</b> ST. LUKE'S VILLAGE MEDICAL CENTER 200 STRYKERS ROAD PHILLIPSBURG NJ 08865	OUTPATIENT SERVICES - RADIOLOGY

Schedule H (Form 990) 2019

**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.

SCHEDULE H, PART I, LINE 3C

IN ADDITION TO THE FEDERAL POVERTY GUIDELINES, THIS ORGANIZATION USES OTHER FACTORS IN DETERMINING ELIGIBILITY CRITERIA FOR FREE AND DISCOUNTED CARE. AS OUTLINED IN PART V, SECTION B, QUESTION 13, OTHER FACTORS TO DETERMINE ELIGIBILITY INCLUDE:

- ASSET LEVEL;
- MEDICAL INDIGENCY;
- INSURANCE STATUS;
- UNDERINSURANCE STATUS; AND
- RESIDENCY.

ADDITIONAL INFORMATION WITH RESPECT TO CRMC'S ELIGIBILITY CRITERIA FOR FINANCIAL ASSISTANCE IS OUTLINED BELOW.

NEW JERSEY HOSPITAL CHARITY CARE PAYMENT ASSISTANCE PROGRAM ("CHARITY CARE")

**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.
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- 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.

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CHARITY CARE IS A NEW JERSEY PROGRAM IN WHICH FREE OR DISCOUNTED CARE IS AVAILABLE TO PATIENTS WHO RECEIVE INPATIENT AND OUTPATIENT SERVICES AT ACUTE CARE HOSPITALS THROUGHOUT THE STATE OF NEW JERSEY. HOSPITAL ASSISTANCE AND REDUCED CHARGE CARE ARE ONLY AVAILABLE FOR NECESSARY EMERGENCY OR OTHER MEDICALLY NECESSARY CARE.

PATIENTS MAY BE ELIGIBLE FOR CHARITY CARE IF THEY ARE NEW JERSEY RESIDENTS WHO:

- 1) HAVE NO HEALTH COVERAGE OR HAVE COVERAGE THAT PAYS ONLY PART OF THE HOSPITAL BILL (UNINSURED OR UNDERINSURED);
- 2) ARE INELIGIBLE FOR ANY PRIVATE OR GOVERNMENTAL SPONSORED COVERAGE (SUCH AS MEDICAID); AND
- 3) MEET THE FOLLOWING INCOME AND ASSET ELIGIBILITY CRITERIA DESCRIBED BELOW.

**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.
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INCOME CRITERIA: PATIENTS WITH FAMILY GROSS INCOME LESS THAN OR EQUAL TO 200% OF FEDERAL POVERTY GUIDELINES ("FPG") ARE ELIGIBLE FOR 100% CHARITY CARE COVERAGE. PATIENTS WITH FAMILY GROSS INCOME GREATER THAN 200% AND LESS THAN OR EQUAL TO 300% OF FPG ARE ELIGIBLE FOR DISCOUNTED CARE. FREE CARE OR PARTIALLY COVERED CHARGES WILL BE DETERMINED BY USE OF THE NEW JERSEY DEPARTMENT OF HEALTH FEE SCHEDULE.

IF PATIENTS ON THE 20% TO 80% SLIDING FEE SCALE ARE RESPONSIBLE FOR QUALIFIED OUT-OF-POCKET PAID MEDICAL EXPENSES IN EXCESS OF 30% OF THEIR GROSS ANNUAL INCOME (I.E. BILLS UNPAID BY OTHER PARTIES), THEN THE AMOUNT IN EXCESS OF 30% IS CONSIDERED HOSPITAL CARE PAYMENT ASSISTANCE.

ASSET CRITERIA: CHARITY CARE INCLUDES ASSET ELIGIBILITY THRESHOLDS WHICH STATES THAT INDIVIDUAL ASSETS CANNOT EXCEED \$7,500 AND FAMILY ASSETS CANNOT EXCEED \$15,000 AS OF THE DATE OF SERVICE.

CHARITY CARE MAY BE AVAILABLE TO NON-NEW JERSEY RESIDENTS, REQUIRING IMMEDIATE MEDICAL ATTENTION FOR AN EMERGENCY MEDICAL CONDITION.

**Part VI** Supplemental Information

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NEW JERSEY UNINSURED DISCOUNT (PUBLIC LAW 2008, C. 60)

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UNINSURED PATIENTS WITH FAMILY GROSS INCOME LESS THAN 500% OF FPG MAY BE  
ELIGIBLE FOR DISCOUNTED CARE UNDER THIS PROGRAM. ELIGIBLE INDIVIDUALS  
MUST BE NEW JERSEY RESIDENTS.

SCHEDULE H, PART I, LINE 6A

NOT APPLICABLE.

SCHEDULE H, PART I, LINE 7

THE STRATAJAZZ DECISION SUPPORT/COST ACCOUNTING SYSTEM ("STRATAJAZZ") WAS  
THE TOOL UTILIZED TO DETERMINE THE COST OF FINANCIAL ASSISTANCE,  
UNREIMBURSED MEDICAID, MEDICAID HMO AND SUBSIDIZED HEALTH SERVICES. THE  
ENTIRE ACTIVITY WAS COSTED THROUGH THE STRATAJAZZ APPLICATION, TO INCLUDE

**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.
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INPATIENT, OUTPATIENT, EMERGENCY ROOM AND ALL PAYERS. COSTING CONSISTED OF ALLOCATING COST FROM THE DEPARTMENTAL LEVEL DOWN TO THE SERVICE ITEM LEVEL. ONCE COSTS WERE DETERMINED AT THE SERVICE ITEM LEVEL, WE THEN AGGREGATED ENCOUNTERS INTO THE DEFINED TARGETED GROUPS. FOR DETERMINATION OF THE UNREIMBURSED COSTS FOR MEDICAID, MEDICAID HMO AND SUBSIDIZED SERVICES REPORTED ON PART I, LINE 7, FINANCIAL ASSISTANCE AT COST, BAD DEBT, AND ALL OVERLAPPING CASES REPORTED ELSEWHERE WERE EXCLUDED. THE RATIO OF PATIENT CARE COST TO CHARGES WAS UTILIZED TO DETERMINE THE FINANCIAL ASSISTANCE AT COST. THE DEVELOPMENT OF THE RATIO CONFORMS TO THE FORM 990 INSTRUCTIONS. THE MEDICARE SHORTFALL/SURPLUS WAS DETERMINED USING THE MEDICARE COMPLEX COST REPORTING FORM UTILIZING ALLOWABLE MEDICARE COSTS.

SCHEDULE H, PART I, LINE 7G

THE AMOUNT INCLUDED IN SCHEDULE H, PART I, LINE 7G AS COMMUNITY BENEFIT EXPENSE REPRESENT SUBSIDIZED HEALTH SERVICES RELATED TO OB/GYN SERVICES AND PRIMARY CARE HEALTH SERVICES, BOTH OF WHICH ARE DOCUMENTED HEALTH

**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.
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NEEDS WITHIN THE COMMUNITY.

SCHEDULE H, PART II

ST. LUKE'S WARREN HOSPITAL, INC. HAS DIRECT INVOLVEMENT IN NUMEROUS COMMUNITY BUILDING ACTIVITIES THAT PROMOTE AND IMPROVE THE HEALTH STATUS AND GENERAL BETTERMENT OF THE COMMUNITIES SERVED BY THE HOSPITAL. THIS IS ACCOMPLISHED THROUGH SERVICE ON STATE AND REGIONAL ADVOCACY COMMITTEES AND BOARDS, VOLUNTEERISM WITH LOCAL COMMUNITY-BASED NON-PROFIT ADVOCACY GROUPS, AND PARTICIPATION IN CONFERENCES AND OTHER EDUCATIONAL ACTIVITIES TO PROMOTE UNDERSTANDING OF THE ROOT CAUSES OF HEALTH CONCERNS. THIS ORGANIZATION PROVIDES EDUCATIONAL MATERIALS, CONDUCTS COMMUNITY HEALTH FAIRS AND HOLDS HEALTH EDUCATION SEMINARS AND OUTREACH SESSIONS FOR ITS PATIENTS AND FOR COMMUNITY PROVIDERS. PRESENTATIONS ARE PROVIDED BY PHYSICIANS, NURSES AND OTHER HEALTHCARE PROFESSIONALS.

**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.
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- 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.

SCHEDULE H, PART III, LINES 2, 3 & 4

BAD DEBT EXPENSE WAS CALCULATED USING THE PROVIDERS' BAD DEBT EXPENSE MULTIPLIED BY ITS COST TO CHARGE RATIO.

THE NETWORK HAS ADOPTED ASU 2014-09, REVENUE FROM CONTRACTS WITH CUSTOMERS (TOPIC 606) USING THE FULL RETROSPECTIVE TRANSITION METHOD. IN ACCORDANCE WITH THE IMPLEMENTATION OF THIS STANDARD, BAD DEBT EXPENSE IS NO LONGER SHOWN AS A SEPARATE LINE WITHIN THE NETWORK'S AUDITED FINANCIAL STATEMENTS, INSTEAD NET PATIENT SERVICE REVENUE IS REPORTED AT THE AMOUNT THAT REFLECTS THE CONSIDERATION TO WHICH THE NETWORK EXPECTS TO BE ENTITLED IN EXCHANGE FOR PROVIDING CARE. PLEASE REFER TO FOOTNOTE 3 WITHIN THE NETWORK'S CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR ADDITIONAL INFORMATION ON THIS TOPIC AND THE REPORTING OF THE NETWORK'S REVENUE RECOGNITION AND ACCOUNTS RECEIVABLE.

**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.
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- 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.

SCHEDULE H, PART III, LINE 8

MEDICARE COSTS WERE DERIVED FROM THE MEDICARE COST REPORT FILED BY THE ORGANIZATION.

THE ORGANIZATION FEELS THAT MEDICARE UNDERPAYMENTS (SHORTFALL) AND BAD DEBT ARE COMMUNITY BENEFIT AND ASSOCIATED COSTS ARE INCLUDABLE ON THE FORM 990, SCHEDULE H, PART I. AS OUTLINED MORE FULLY BELOW THE ORGANIZATION BELIEVES THAT THESE SERVICES AND RELATED COSTS PROMOTE THE HEALTH OF THE COMMUNITY AS A WHOLE AND ARE RENDERED IN CONJUNCTION WITH THE ORGANIZATION'S CHARITABLE TAX-EXEMPT PURPOSES AND MISSION IN PROVIDING MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUAL'S IN A NON-DISCRIMINATORY MANNER WITHOUT REGARD TO RACE, COLOR, CREED, SEX, NATIONAL ORIGIN OR ABILITY TO PAY AND CONSISTENT WITH THE COMMUNITY BENEFIT STANDARD PROMULGATED BY THE INTERNAL REVENUE SERVICE ("IRS"). THE COMMUNITY BENEFIT STANDARD IS THE CURRENT STANDARD FOR A HOSPITAL FOR RECOGNITION AS A TAX-EXEMPT AND CHARITABLE ORGANIZATION UNDER INTERNAL REVENUE CODE ("IRC") §501(C)(3).

**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.
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- 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.

THE ORGANIZATION IS RECOGNIZED AS A TAX-EXEMPT ENTITY AND CHARITABLE ORGANIZATION UNDER §501(C)(3) OF THE IRC. ALTHOUGH THERE IS NO DEFINITION IN THE TAX CODE FOR THE TERM "CHARITABLE", A REGULATION PROMULGATED BY THE DEPARTMENT OF THE TREASURY PROVIDES SOME GUIDANCE AND STATES THAT "[T]HE TERM CHARITABLE IS USED IN §501(C)(3) IN ITS GENERALLY ACCEPTED LEGAL SENSE," AND PROVIDES EXAMPLES OF CHARITABLE PURPOSES, INCLUDING THE RELIEF OF THE POOR OR UNPRIVILEGED; THE PROMOTION OF SOCIAL WELFARE; AND THE ADVANCEMENT OF EDUCATION, RELIGION, AND SCIENCE. NOTE: IT DOES NOT EXPLICITLY ADDRESS THE ACTIVITIES OF HOSPITALS. IN THE ABSENCE OF EXPLICIT STATUTORY OR REGULATORY REQUIREMENTS APPLYING THE TERM "CHARITABLE" TO HOSPITALS, IT HAS BEEN LEFT TO THE IRS TO DETERMINE THE CRITERIA HOSPITALS MUST MEET TO QUALIFY AS IRC §501(C)(3) CHARITABLE ORGANIZATIONS. THE ORIGINAL STANDARD WAS KNOWN AS THE CHARITY CARE STANDARD. THIS STANDARD WAS REPLACED BY THE IRS WITH THE COMMUNITY BENEFIT STANDARD WHICH IS THE CURRENT STANDARD.

CHARITY CARE STANDARD

**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.
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IN 1956, THE IRS ISSUED REVENUE RULING 56-185, WHICH ADDRESSED THE REQUIREMENTS HOSPITALS NEEDED TO MEET IN ORDER TO QUALIFY FOR IRC §501(C)(3) STATUS. ONE OF THESE REQUIREMENTS IS KNOWN AS THE "CHARITY CARE STANDARD." UNDER THE STANDARD, A HOSPITAL HAD TO PROVIDE, TO THE EXTENT OF ITS FINANCIAL ABILITY, FREE OR REDUCED-COST CARE TO PATIENTS UNABLE TO PAY FOR IT. A HOSPITAL THAT EXPECTED FULL PAYMENT DID NOT, ACCORDING TO THE RULING, PROVIDE CHARITY CARE BASED ON THE FACT THAT SOME PATIENTS ULTIMATELY FAILED TO PAY. THE RULING EMPHASIZED THAT A LOW LEVEL OF CHARITY CARE DID NOT NECESSARILY MEAN THAT A HOSPITAL HAD FAILED TO MEET THE REQUIREMENT SINCE THAT LEVEL COULD REFLECT ITS FINANCIAL ABILITY TO PROVIDE SUCH CARE. THE RULING ALSO NOTED THAT PUBLICLY SUPPORTED COMMUNITY HOSPITALS WOULD NORMALLY QUALIFY AS CHARITABLE ORGANIZATIONS BECAUSE THEY SERVE THE ENTIRE COMMUNITY AND A LOW LEVEL OF CHARITY CARE WOULD NOT AFFECT A HOSPITAL'S EXEMPT STATUS IF IT WAS DUE TO THE SURROUNDING COMMUNITY'S LACK OF CHARITABLE DEMANDS.

COMMUNITY BENEFIT STANDARD

**Part VI Supplemental Information**

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IN 1969, THE IRS ISSUED REVENUE RULING 69-545, WHICH "REMOVE[D]" FROM REVENUE RULING 56-185 "THE REQUIREMENTS RELATING TO CARING FOR PATIENTS WITHOUT CHARGE OR AT RATES BELOW COST." UNDER THE STANDARD DEVELOPED IN REVENUE RULING 69-545, WHICH IS KNOWN AS THE "COMMUNITY BENEFIT STANDARD," HOSPITALS ARE JUDGED ON WHETHER THEY PROMOTE THE HEALTH OF A BROAD CLASS OF INDIVIDUALS IN THE COMMUNITY.

THE RULING INVOLVED A HOSPITAL THAT ONLY ADMITTED INDIVIDUALS WHO COULD PAY FOR THE SERVICES (BY THEMSELVES, PRIVATE INSURANCE, OR PUBLIC PROGRAMS SUCH AS MEDICARE), BUT OPERATED A FULL-TIME EMERGENCY ROOM THAT WAS OPEN TO EVERYONE. THE IRS RULED THAT THE HOSPITAL QUALIFIED AS A CHARITABLE ORGANIZATION BECAUSE IT PROMOTED THE HEALTH OF PEOPLE IN ITS COMMUNITY. THE IRS REASONED THAT BECAUSE THE PROMOTION OF HEALTH WAS A CHARITABLE PURPOSE ACCORDING TO THE GENERAL LAW OF CHARITY, IT FELL WITHIN THE "GENERALLY ACCEPTED LEGAL SENSE" OF THE TERM "CHARITABLE," AS REQUIRED BY TREAS. REG. § 1.501(C)(3)-1(D)(2). THE IRS RULING STATED THAT THE PROMOTION OF HEALTH, LIKE THE RELIEF OF POVERTY AND THE ADVANCEMENT

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OF EDUCATION AND RELIGION, IS ONE OF THE PURPOSES IN THE GENERAL LAW OF CHARITY THAT IS DEEMED BENEFICIAL TO THE COMMUNITY AS A WHOLE EVEN THOUGH THE CLASS OF BENEFICIARIES ELIGIBLE TO RECEIVE A DIRECT BENEFIT FROM ITS ACTIVITIES DOES NOT INCLUDE ALL MEMBERS OF THE COMMUNITY, SUCH AS INDIGENT MEMBERS OF THE COMMUNITY, PROVIDED THAT THE CLASS IS NOT SO SMALL THAT ITS RELIEF IS NOT OF BENEFIT TO THE COMMUNITY.

THE IRS CONCLUDED THAT THE HOSPITAL WAS "PROMOTING THE HEALTH OF A CLASS OF PERSONS THAT IS BROAD ENOUGH TO BENEFIT THE COMMUNITY" BECAUSE ITS EMERGENCY ROOM WAS OPEN TO ALL AND IT PROVIDED CARE TO EVERYONE WHO COULD PAY, WHETHER DIRECTLY OR THROUGH THIRD-PARTY REIMBURSEMENT. OTHER CHARACTERISTICS OF THE HOSPITAL THAT THE IRS HIGHLIGHTED INCLUDED THE FOLLOWING: ITS SURPLUS FUNDS WERE USED TO IMPROVE PATIENT CARE, EXPAND HOSPITAL FACILITIES, AND ADVANCE MEDICAL TRAINING, EDUCATION, AND RESEARCH; IT WAS CONTROLLED BY A BOARD OF TRUSTEES THAT CONSISTED OF INDEPENDENT CIVIC LEADERS; AND HOSPITAL MEDICAL STAFF PRIVILEGES WERE AVAILABLE TO ALL QUALIFIED PHYSICIANS.

**Part VI Supplemental Information**

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THE AMERICAN HOSPITAL ASSOCIATION ("AHA") FEELS THAT MEDICARE UNDERPAYMENTS (SHORTFALL) AND BAD DEBT ARE COMMUNITY BENEFIT AND THUS INCLUDABLE ON THE FORM 990, SCHEDULE H, PART I. THIS ORGANIZATION AGREES WITH THE AHA POSITION. AS OUTLINED IN THE AHA LETTER TO THE IRS DATED AUGUST 21, 2007 WITH RESPECT TO THE FIRST PUBLISHED DRAFT OF THE NEW FORM 990 AND SCHEDULE H, THE AHA FELT THAT THE IRS SHOULD INCORPORATE THE FULL VALUE OF THE COMMUNITY BENEFIT THAT HOSPITALS PROVIDE BY COUNTING MEDICARE UNDERPAYMENTS (SHORTFALL) AND BAD DEBT AS QUANTIFIABLE COMMUNITY BENEFIT FOR THE FOLLOWING REASONS:

- PROVIDING CARE FOR THE ELDERLY AND SERVING MEDICARE PATIENTS IS AN ESSENTIAL PART OF THE COMMUNITY BENEFIT STANDARD.
- MEDICARE, LIKE MEDICAID, DOES NOT PAY THE FULL COST OF CARE. RECENTLY, MEDICARE REIMBURSES HOSPITALS ONLY 92 CENTS FOR EVERY DOLLAR THEY SPEND TO TAKE CARE OF MEDICARE PATIENTS. THE MEDICARE PAYMENT ADVISORY COMMISSION ("MEDPAC") IN ITS MARCH 2007 REPORT TO CONGRESS CAUTIONED THAT UNDERPAYMENT WILL GET EVEN WORSE, WITH MARGINS REACHING A 10-YEAR LOW AT

**Part VI Supplemental Information**

Provide the following information.

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- 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.
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- 4 Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
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- 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.

NEGATIVE 5.4 PERCENT.

- MANY MEDICARE BENEFICIARIES, LIKE THEIR MEDICAID COUNTERPARTS, ARE POOR. MORE THAN 46 PERCENT OF MEDICARE SPENDING IS FOR BENEFICIARIES WHOSE INCOME IS BELOW 200 PERCENT OF THE FEDERAL POVERTY LEVEL. MANY OF THOSE MEDICARE BENEFICIARIES ARE ALSO ELIGIBLE FOR MEDICAID -- SO CALLED "DUAL ELIGIBLES."

THERE IS EVERY COMPELLING PUBLIC POLICY REASON TO TREAT MEDICARE AND MEDICAID UNDERPAYMENTS SIMILARLY FOR PURPOSES OF A HOSPITAL'S COMMUNITY BENEFIT AND INCLUDE THESE COSTS ON FORM 990, SCHEDULE H, PART I. MEDICARE UNDERPAYMENT MUST BE SHOULDERED BY THE HOSPITAL IN ORDER TO CONTINUE TREATING THE COMMUNITY'S ELDERLY AND POOR. THESE UNDERPAYMENTS REPRESENT A REAL COST OF SERVING THE COMMUNITY AND SHOULD COUNT AS A QUANTIFIABLE COMMUNITY BENEFIT.

BOTH THE AHA AND THIS ORGANIZATION ALSO FEEL THAT PATIENT BAD DEBT IS A COMMUNITY BENEFIT AND THUS INCLUDABLE ON THE FORM 990, SCHEDULE H, PART

**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.
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I. THERE ARE COMPELLING REASONS THAT PATIENT BAD DEBT SHOULD BE COUNTED

AS QUANTIFIABLE COMMUNITY BENEFIT AS FOLLOWS:

- A SIGNIFICANT MAJORITY OF BAD DEBT IS ATTRIBUTABLE TO LOW-INCOME PATIENTS, WHO, FOR MANY REASONS, DECLINE TO COMPLETE THE FORMS REQUIRED TO ESTABLISH ELIGIBILITY FOR HOSPITALS' CHARITY CARE OR FINANCIAL ASSISTANCE PROGRAMS. A 2006 CONGRESSIONAL BUDGET OFFICE ("CBO") REPORT, NONPROFIT HOSPITALS AND THE PROVISION OF COMMUNITY BENEFITS, CITED TWO STUDIES INDICATING THAT "THE GREAT MAJORITY OF BAD DEBT WAS ATTRIBUTABLE TO PATIENTS WITH INCOMES BELOW 200% OF THE FEDERAL POVERTY LINE."

- THE REPORT ALSO NOTED THAT A SUBSTANTIAL PORTION OF BAD DEBT IS PENDING CHARITY CARE. UNLIKE BAD DEBT IN OTHER INDUSTRIES, HOSPITAL BAD DEBT IS COMPLICATED BY THE FACT THAT HOSPITALS FOLLOW THEIR MISSION TO THE COMMUNITY AND TREAT EVERY PATIENT THAT COMES THROUGH THEIR EMERGENCY DEPARTMENT, REGARDLESS OF ABILITY TO PAY. PATIENTS WHO HAVE OUTSTANDING BILLS ARE NOT TURNED AWAY, UNLIKE OTHER INDUSTRIES. BAD DEBT IS FURTHER COMPLICATED BY THE AUDITING INDUSTRY'S STANDARDS ON REPORTING CHARITY

**Part VI Supplemental Information**

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CARE. MANY PATIENTS CANNOT OR DO NOT PROVIDE THE NECESSARY, EXTENSIVE DOCUMENTATION REQUIRED TO BE DEEMED CHARITY CARE BY AUDITORS. AS A RESULT, ROUGHLY 10% OF BAD DEBT IS PENDING CHARITY CARE.

- THE CBO CONCLUDED THAT ITS FINDINGS "SUPPORT THE VALIDITY OF THE USE OF UNCOMPENSATED CARE [BAD DEBT AND CHARITY CARE] AS A MEASURE OF COMMUNITY BENEFITS" ASSUMING THE FINDINGS ARE GENERALIZABLE NATIONWIDE; THE EXPERIENCE OF HOSPITALS AROUND THE NATION REINFORCES THAT THEY ARE GENERALIZABLE.

AS OUTLINED BY THE AHA, DESPITE THE HOSPITAL'S BEST EFFORTS AND DUE DILIGENCE, PATIENT BAD DEBT IS A PART OF THE HOSPITAL'S MISSION AND CHARITABLE PURPOSES. BAD DEBT REPRESENTS PART OF THE BURDEN HOSPITALS SHOULD IN SERVING ALL PATIENTS REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY. IN ADDITION, THE HOSPITAL INVESTS SIGNIFICANT RESOURCES IN SYSTEMS AND STAFF TRAINING TO ASSIST PATIENTS THAT ARE IN NEED OF FINANCIAL ASSISTANCE.

**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.
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SCHEDULE H, PART III, LINE 9B

ST. LUKE'S UNIVERSITY HEALTH NETWORK MANAGEMENT DEVELOPED POLICIES AND PROCEDURES FOR INTERNAL AND EXTERNAL COLLECTION PRACTICES THAT TAKE INTO ACCOUNT THE EXTENT TO WHICH THE PATIENT QUALIFIES FOR FINANCIAL ASSISTANCE, A PATIENT'S GOOD FAITH EFFORT TO APPLY FOR A GOVERNMENTAL PROGRAM OR FINANCIAL ASSISTANCE FROM ST. LUKE'S UNIVERSITY HEALTH NETWORK AND A PATIENT'S GOOD FAITH EFFORT TO COMPLY WITH HIS OR HER PAYMENT AGREEMENTS.

BILLING & COLLECTION POLICY

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THE CREDIT AND COLLECTION POLICY IS ADMINISTERED IN ACCORDANCE WITH THE MISSION AND VALUES OF THE HOSPITAL AS WELL AS FEDERAL AND STATE LAW. THE POLICY IS DESIGNED TO PROMOTE APPROPRIATE ACCESS TO MEDICAL CARE FOR ALL PATIENTS REGARDLESS OF THEIR ABILITY TO PAY WHILE MAINTAINING THE NETWORK'S FISCAL RESPONSIBILITY TO MAXIMIZE REIMBURSEMENT AND MINIMIZE

**Part VI Supplemental Information**

Provide the following information.

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BAD DEBT.

THE ORGANIZATION'S CREDIT AND COLLECTION POLICY IS INTENDED TO TAKE INTO ACCOUNT EACH INDIVIDUAL'S ABILITY TO CONTRIBUTE TO THE COST OF HIS OR HER CARE. THE ORGANIZATION MAKES SURE THAT PATIENTS ARE ASSISTED IN OBTAINING HEALTH INSURANCE COVERAGE FROM PRIVATELY AND PUBLICLY FUNDED SOURCES, WHENEVER POSSIBLE.

ALL PATIENT BUSINESS SERVICE DEPARTMENT REPRESENTATIVES ARE EDUCATED ON ALL ASPECTS OF THE CREDIT AND COLLECTION POLICY AND ARE EXPECTED TO ADMINISTER THE POLICY ON A REGULAR AND CONSISTENT BASIS. PATIENT BUSINESS SERVICE REPRESENTATIVES ARE HELD ACCOUNTABLE TO TREAT ALL PATIENTS WITH COURTESY, RESPECT, CONFIDENTIALITY AND CULTURAL SENSITIVITY. THE CREDIT AND COLLECTION POLICY IS ADMINISTERED IN CONJUNCTION WITH THE PROCEDURES OUTLINED IN INTERNAL ADMINISTRATIVE POLICIES. THE SENIOR VICE PRESIDENT AND VICE PRESIDENT OF FINANCE HAVE OVERALL RESPONSIBILITY FOR THE CREDIT AND COLLECTION ACTIVITIES OF THE HOSPITAL. THE BUSINESS OFFICE MANAGEMENT STAFF IS RESPONSIBLE FOR THE DAY-TO-DAY ENFORCEMENT OF APPROVED POLICIES

**Part VI** Supplemental Information

Provide the following information.

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- 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.

AND PROCEDURES.

ST. LUKE'S UNIVERSITY HEALTH NETWORK MAY OFFER EXTENDED PAYMENT PLANS TO PATIENTS WHO ARE COOPERATING IN GOOD FAITH TO RESOLVE THEIR HOSPITAL BILLS.

EMERGENCY & MEDICALLY NECESSARY SERVICES

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ST. LUKE'S UNIVERSITY HEALTH NETWORK DOES NOT ENGAGE IN ANY ACTIONS THAT DISCOURAGE INDIVIDUALS FROM SEEKING EMERGENCY MEDICAL CARE. THE ORGANIZATION WILL NEVER DEMAND THAT AN EMERGENCY DEPARTMENT PATIENT PAY BEFORE RECEIVING TREATMENT FOR EMERGENCY MEDICAL CONDITIONS. ADDITIONALLY, ST. LUKE'S DOES NOT PERMIT DEBT COLLECTION ACTIVITIES IN THE EMERGENCY DEPARTMENT OR OTHER AREAS WHERE SUCH ACTIVITIES COULD INTERFERE WITH THE PROVISION OF EMERGENCY CARE ON A NONDISCRIMINATORY BASIS.

**Part VI Supplemental Information**

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ALL MEDICALLY NECESSARY HOSPITAL SERVICES ARE PROVIDED WITHOUT  
 CONSIDERATION OF ABILITY TO PAY AND ARE NOT DELAYED PENDING APPLICATION  
 OR APPROVAL OF MEDICAL ASSISTANCE OR THE ST. LUKE'S FINANCIAL ASSISTANCE  
 PROGRAM. ADVANCE PAYMENT IS NOT REQUIRED FOR ANY MEDICALLY NECESSARY  
 SERVICES.

COMPLIANCE WITH INTERNAL REVENUE CODE SECTION 501(R)(6)

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ST. LUKE'S UNIVERSITY HEALTH NETWORK DOES NOT ENGAGE IN ANY EXTRAORDINARY  
 COLLECTION ACTIONS ("ECAS") AS DEFINED BY INTERNAL REVENUE CODE SECTION  
 501(R)(6) PRIOR TO THE EXPIRATION OF THE NOTIFICATION PERIOD. THE  
 NOTIFICATION PERIOD IS DEFINED AS A 120-DAY PERIOD OR GREATER, WHICH  
 BEGINS ON THE DATE OF THE 1ST POST-DISCHARGE BILLING STATEMENT, IN WHICH  
 NO ECAS ARE INITIATED AGAINST THE PATIENT.

SUBSEQUENT TO THE NOTIFICATION PERIOD ST. LUKE'S UNIVERSITY HEALTH  
 NETWORK, OR ANY THIRD PARTIES ACTING ON ITS BEHALF, MAY INITIATE THE

**Part VI Supplemental Information**

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FOLLOWING ECAS AGAINST A PATIENT FOR AN UNPAID BALANCE IF THE FINANCIAL ASSISTANCE ELIGIBILITY DETERMINATION HAS NOT BEEN MADE OR IF AN INDIVIDUAL IS INELIGIBLE FOR FINANCIAL ASSISTANCE. ST. LUKE'S UNIVERSITY HEALTH NETWORK MAY AUTHORIZE THIRD PARTIES TO REPORT ADVERSE INFORMATION ABOUT THE INDIVIDUAL TO CONSUMER CREDIT REPORTING AGENCIES OR CREDIT BUREAUS ON DELINQUENT PATIENT ACCOUNTS AFTER THE NOTIFICATION PERIOD.

THE ORGANIZATION ENSURES REASONABLE EFFORTS HAVE BEEN TAKEN TO DETERMINE WHETHER AN INDIVIDUAL IS ELIGIBLE FOR FINANCIAL ASSISTANCE UNDER THE FINANCIAL ASSISTANCE POLICY AND ENSURES THE FOLLOWING ACTIONS ARE TAKEN AT LEAST 30 DAYS PRIOR TO INITIATING ANY ECA:

- 1) THE PATIENT IS PROVIDED WITH WRITTEN NOTICE WHICH:
  - INDICATES THAT FINANCIAL ASSISTANCE IS AVAILABLE FOR ELIGIBLE PATIENTS;
  - IDENTIFIES THE ECA(S) THAT ST. LUKE'S UNIVERSITY HEALTH NETWORK INTENDS TO INITIATE TO OBTAIN PAYMENT FOR THE CARE; AND
  - STATES A DEADLINE AFTER WHICH SUCH ECAS MAY BE INITIATED.

**Part VI** Supplemental Information

Provide the following information.

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2) THE PATIENT IS PROVIDED WITH A COPY OF THE PLAIN LANGUAGE SUMMARY; AND

3) REASONABLE EFFORTS ARE MADE TO ORALLY NOTIFY THE PATIENT ABOUT THE AVAILABILITY OF FINANCIAL ASSISTANCE AND HOW THE INDIVIDUAL MAY OBTAIN ASSISTANCE WITH THE FINANCIAL ASSISTANCE APPLICATION PROCESS.

ST. LUKE'S UNIVERSITY HEALTH NETWORK ACCEPTS AND PROCESSES ALL APPLICATIONS FOR FINANCIAL ASSISTANCE SUBMITTED DURING THE APPLICATION PERIOD. THE APPLICATION PERIOD BEGINS ON THE DATE THE CARE IS PROVIDED AND ENDS ON THE 240TH DAY AFTER THE DATE OF THE FIRST POST-DISCHARGE BILLING STATEMENT.

SCHEDULE H, PART VI; QUESTION 2

ST. LUKE'S UNIVERSITY HEALTH NETWORK'S DEPARTMENT OF COMMUNITY HEALTH AND PREVENTIVE MEDICINE OVERSEES ASSESSMENT OF THE HEALTHCARE NEEDS OF THE COMMUNITIES SERVED BY HOSPITALS WITHIN THE NETWORK. THE DEPARTMENT IS

**Part VI Supplemental Information**

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CHAired BY DR. BONNIE COYLE, BOARD CERTIFIED IN PREVENTATIVE MEDICINE,  
 WITH OVER 20 YEARS' EXPERIENCE IN PUBLIC AND PREVENTATIVE HEALTH.  
 ANALYSIS OF INFORMATION FROM THE FOLLOWING SOURCES IS PART OF THE  
 DEPARTMENT'S ONGOING HEALTH NEEDS ASSESSMENT PROCESS: VITAL STATISTICS,  
 PENNSYLVANIA DEPARTMENT OF HEALTH DATA, HOSPITAL DISCHARGE DATA, THE  
 ROBERT WOOD JOHNSON COUNTY HEALTH PROFILES AND OTHER COUNTY DATA  
 AVAILABLE FROM VARIOUS OTHER STATE AGENCIES. IN ADDITION, THE DEPARTMENT  
 COLLECTS ONGOING DATA AND OUTCOMES FROM ITS COMPREHENSIVE COMMUNITY BASED  
 PROGRAMMING INITIATIVES AND FROM ESTABLISHED COLLABORATIVE PARTNERSHIPS.  
 THE ADOPT A SCHOOL MODEL IS A COMPREHENSIVE APPROACH USING SUCCESSFUL AND  
 OUTCOMES-DRIVEN WORK, WHILE CREATING A MODEL OF SERVICE. THIS MODEL  
 ALLOWS US TO BETTER ADDRESS THE NEEDS OF OUR EXPANDING SERVICE AREAS AS  
 OUR ORGANIZATION GROWS. WE NOW SPEARHEAD A NATIONAL MODEL OF  
 COLLABORATION ACROSS OUR NETWORK WITH 200+ PARTNERS REPRESENTING LOCAL  
 BUSINESSES, GOVERNMENT, EDUCATIONAL, SOCIAL SERVICE AND COMMUNITY  
 ORGANIZATIONS. A NUMBER OF OUR CHNA DETERMINED HEALTH PRIORITIES ARE  
 ADDRESSED AMONG OUR VULNERABLE POPULATIONS USING THE ADOPT A SCHOOL

**Part VI** Supplemental Information

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MODEL. THE MISSION OF THE ADOPT A SCHOOL MODEL IS TO CREATE AN ENVIRONMENT WHERE THE PHILLIPSBURG AREA SCHOOL DISTRICT IS THE HUB TO CULTIVATE THE PHYSICAL AND MENTAL WELL-BEING OF INDIVIDUALS AND FAMILIES IN OUR COMMUNITY THROUGH COLLABORATIVE PARTNERSHIPS, USING EVIDENCE-BASED PROGRAMS, TO CONNECT FAMILIES TO HEALTH SERVICES (MEDICAL, DENTAL, VISION, MENTAL HEALTH AND INSURANCE) WHILE PROMOTING HEALTHY LIVING INITIATIVES, LITERACY AND LEADERSHIP TO IMPROVE THE HEALTH AND EDUCATIONAL OUTCOMES OF STUDENTS. BASED ON THE IDENTIFIED NEEDS AND PRIORITIES, EACH HOSPITAL CAMPUS DEVELOPS PLANS AND PROGRAMS TO IMPROVE THE HEALTH OF THOSE IN THE COMMUNITIES. WE RECENTLY BEGAN DENTAL, LITERACY AND HEALTHY LIVING INITIATIVES IN THE PHILLIPSBURG SCHOOL DISTRICT TO ADDRESS THE NEEDS WITHIN THE COMMUNITY.

SCHEDULE H, PART VI; QUESTION 3

ST. LUKE'S UNIVERSITY HEALTH NETWORK IS COMMITTED TO PROVIDING THE HIGHEST QUALITY HEALTHCARE SERVICES TO OUR COMMUNITY. ST. LUKE'S UNIVERSITY HEALTH NETWORK IS COMMITTED TO A SERVICE EXCELLENCE PHILOSOPHY

**Part VI Supplemental Information**

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THAT STRIVES TO MEET OR EXCEED PATIENT EXPECTATIONS. ALL PATIENTS WILL RECEIVE A UNIFORM STANDARD OF CARE THROUGHOUT ALL ST. LUKE'S FACILITIES, REGARDLESS OF SOCIAL, CULTURAL, FINANCIAL, RELIGIOUS, RACIAL, GENDER OR SEXUAL ORIENTATION FACTORS. ST. LUKE'S UNIVERSITY HEALTH NETWORK STRIVES TO ENSURE THAT ALL PATIENTS RECEIVE ESSENTIAL EMERGENCY AND OTHER MEDICALLY NECESSARY HEALTHCARE SERVICES REGARDLESS OF THEIR ABILITY TO PAY.

ST. LUKE'S UNIVERSITY HEALTH NETWORK IS COMMITTED TO PROVIDING FINANCIAL ASSISTANCE TO PERSONS WHO HAVE HEALTHCARE NEEDS AND ARE UNINSURED, INELIGIBLE FOR GOVERNMENT ASSISTANCE, OR OTHERWISE UNABLE TO PAY, FOR MEDICALLY NECESSARY CARE BASED ON THEIR INDIVIDUAL FINANCIAL SITUATION. ALL PERSONS WHO PRESENT THEMSELVES FOR EMERGENCY OR OTHER MEDICALLY NECESSARY HEALTHCARE SERVICES ARE ADMITTED AND TREATED; THEY ARE REGISTERED AS PATIENTS OF THE HOSPITAL AND RECEIVE ANY NECESSARY SERVICES AS PRESCRIBED BY THE PATIENT'S PHYSICIAN. A PROSPECTIVE PATIENT OF ST. LUKE'S UNIVERSITY HEALTH NETWORK IS NEVER DENIED NECESSARY HEALTHCARE SERVICES ON THE BASIS OF THEIR ABILITY TO PAY.

**Part VI Supplemental Information**

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ST. LUKE'S UNIVERSITY HEALTH NETWORK DOES ITS BEST TO EDUCATE AND INFORM PATIENTS ABOUT THE AVAILABILITY OF FINANCIAL ASSISTANCE. FOR THE BENEFIT OF THE PATIENTS, THE FINANCIAL ASSISTANCE POLICY, FINANCIAL ASSISTANCE APPLICATION AND PLAIN LANGUAGE SUMMARY ARE ALL AVAILABLE ON-LINE. ADDITIONALLY, PAPER COPIES ARE AVAILABLE UPON REQUEST WITHOUT CHARGE BY MAIL AND ARE AVAILABLE WITHIN THE HOSPITAL FACILITY REGISTRATION AREAS. THESE INCLUDE EMERGENCY ROOMS, ADMITTING AND REGISTRATION DEPARTMENTS, HOSPITAL BASED CLINICS AND PATIENT FINANCIAL SERVICES.

THE FINANCIAL ASSISTANCE POLICY, FINANCIAL ASSISTANCE APPLICATION AND PLAIN LANGUAGE SUMMARY ARE AVAILABLE IN ENGLISH AND IN THE PRIMARY LANGUAGE OF POPULATIONS WITH LIMITED PROFICIENCY IN ENGLISH ("LEP") THAT CONSTITUTES THE LESSER OF 1,000 INDIVIDUALS OR 5% OF THE NETWORK'S PRIMARY SERVICE AREA.

SIGNS OR DISPLAYS ARE CONSPICUOUSLY POSTED IN PUBLIC HOSPITAL LOCATIONS INCLUDING THE EMERGENCY DEPARTMENT, ADMISSIONS DEPARTMENT AND

**Part VI Supplemental Information**

Provide the following information.

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- 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.).
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- 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.

REGISTRATION DEPARTMENT THAT NOTIFY AND INFORM PATIENTS ABOUT THE  
AVAILABILITY OF FINANCIAL ASSISTANCE.

THROUGH ITS COMMUNICATION DEPARTMENT, ST. LUKE'S UNIVERSITY HEALTH  
NETWORK ALSO MAKES REASONABLE EFFORTS TO INFORM MEMBERS OF THE COMMUNITY  
ABOUT THE AVAILABILITY OF FINANCIAL ASSISTANCE.

FINANCIAL ASSISTANCE REFERRALS CAN BE MADE BY A MEMBER OF THE HOSPITAL  
STAFF OR MEDICAL STAFF, INCLUDING PHYSICIANS, NURSES, FINANCIAL  
COUNSELORS, SOCIAL WORKERS, CASE MANAGERS, CHAPLAINS AND RELIGIOUS  
SPONSORS.

ALL PATIENTS ARE OFFERED A COPY OF THE PLAIN LANGUAGE SUMMARY AS PART OF  
THE INTAKE OR DISCHARGE PROCESS. ADDITIONALLY, FINANCIAL COUNSELORS AND  
CUSTOMER SERVICE REPRESENTATIVES ARE AVAILABLE TO ASSIST PATIENTS WITH  
QUESTIONS CONCERNING CHARGES, PAYMENTS OR ANY OTHER CONCERNS.

**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.
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SCHEDULE H, PART VI, QUESTION 4

ST. LUKE'S UNIVERSITY HEALTH NETWORK'S (SLUHN) WARREN CAMPUS IS A COMMUNITY-BASED, INTEGRATED SYSTEM OF HEALTH CARE SERVICES LOCATED IN PHILLIPSBURG, NEW JERSEY. ST. LUKE'S WARREN WORKS CLOSELY WITH ITS PHYSICIAN COLLEAGUES TO ENSURE THE HIGHEST QUALITY CARE FOR ITS PATIENTS. PHILLIPSBURG IS LOCATED JUST 30 MINUTES FROM THE POCONO MOUNTAINS, AND MIDWAY BETWEEN PHILADELPHIA AND NEW YORK CITY.

THE FOLLOWING INFORMATION REGARDING THE COMMUNITY DEMOGRAPHICS IS INCLUDED IN THE ORGANIZATION'S CHNA.

GEOGRAPHIC DESCRIPTION OF MEDICAL SERVICE AREA & COMMUNITY SERVED

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WE DEFINED OUR SERVICE AREA BY DETERMINING THE TOP PATIENT ZIP CODES OF OUR RESIDENTS WHO RECEIVE SERVICES FROM ST. LUKE'S WARREN. WE DEFINED THE TOP ZIP CODES AS THOSE THAT MAKE UP 80% OF THE POPULATION SERVED BY THIS

**Part VI** Supplemental Information

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HOSPITAL. THE TOP THREE COUNTIES SERVED BY ST. LUKE'S WARREN INCLUDE WARREN COUNTY AND HUNTERDON COUNTY IN NEW JERSEY, AND NORTHAMPTON COUNTY IN PENNSYLVANIA. THERE ARE A TOTAL OF 8 ZIP CODES THAT WERE INCLUDED. A TOTAL OF 147,796 PEOPLE LIVE IN THE 195.44 SQUARE MILE REPORT AREA DEFINED FOR THIS ASSESSMENT ACCORDING TO THE U.S. CENSUS BUREAU AMERICAN COMMUNITY SURVEY (2017) 5-YEAR ESTIMATES. THE POPULATION DENSITY FOR THIS AREA, ESTIMATED AT 756.23 PERSONS PER SQUARE MILE, IS GREATER THAN THE NATIONAL AVERAGE POPULATION DENSITY OF 89.61 PERSONS PER SQUARE MILE. ACCORDING TO THE U.S. CENSUS BUREAU DECENNIAL CENSUS, BETWEEN 2000 AND 2010 THE POPULATION IN THE REPORT AREA GREW BY 18,229 PEOPLE, A CHANGE OF 13.02%. THIS CHANGE IN POPULATION IS GREATER THAN THAT SEEN IN NEW JERSEY (4.49%), PENNSYLVANIA (3.43%) AND IN THE U.S. AS A WHOLE (9.74%).

GENDER

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ACCORDING TO THE FIVE-YEAR ESTIMATES BY THE ACS, THE PERCENTAGE OF FEMALES IN THE ST. LUKE'S WARREN SERVICE AREA IS ROUGHLY 51.8%, AND 48.2%

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ARE MALE. THIS IS CLOSE TO NATIONAL TRENDS, WHERE 49.2% OF THE POPULATION IS MALE, AND 50.8% IS FEMALE.

AGE

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THE ACS REPORTS 21.41% OF THE SERVICE AREA'S POPULATION FALLS UNDER THE AGE OF 18, AND 16.5% ARE 65 OR OLDER. THIS LEAVES 62.08% BETWEEN THE AGES OF 18 AND 64. WHEN COMPARING THIS DATA TO SURVEY DATA, 60.5% OF WARREN RESPONDENTS WERE BETWEEN THE AGES OF 18 AND 64 AND 39.5% WERE OVER THE AGE OF 65.

RACE

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IN BREAKING DOWN THE ST. LUKE'S WARREN SERVICE AREA BY RACE, WE CAN SEE THAT MOST INDIVIDUALS IDENTIFY AS WHITE, CONSTITUTING 83.18% OF THE SERVICE AREA. THE SECOND LARGEST POPULATION IDENTIFY AS BLACK,

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REPRESENTING 7.48% OF THE POPULATION. ABOUT 3.34% IDENTIFY AS ASIAN, 0.5% AS NATIVE AMERICAN OR ALASKAN NATIVE, 0.03% AS NATIVE HAWAIIAN OR PACIFIC ISLANDER, 2.22% AS SOME OTHER RACE, AND 3.24% AS MULTIPLE RACES.

ETHNICITY

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RECENT DATA INDICATE 89.66% OF THE ST. LUKE'S WARREN SERVICE AREA IDENTIFIES THEIR ETHNICITY AS NON-HISPANIC, WITH THE REMAINING 10.34% IDENTIFYING AS HISPANIC/LATINO. THE WARREN SERVICE AREA HAS A SMALLER HISPANIC/LATINO POPULATION, COMPARED TO THE 17.13% OF INDIVIDUALS IN THE NATION AND 19.22% OF THE STATE.

POVERTY

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THE FEDERAL POVERTY LEVEL (FPL) IS \$24,600 FOR A FAMILY OF FOUR. ROUGHLY 23% OF THE ST. LUKE'S WARREN SERVICE AREA RESIDENTS HAVE INCOMES

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THAT FALL AT OR BELOW 200% OF THE FPL. THIS STATISTIC IS LOWER THAN THE 24.51% OF THE STATE AND 34.26% OF THE NATION THAT FALL AT OR BELOW 200% OF THE FPL.

CHILDHOOD AND ADOLESCENCE ARE FORMATIVE AND VULNERABLE YEARS FOR GROWING CHILDREN, WHERE THEY MUST BE CARED FOR AND NURTURED. FOR A FAMILY IN POVERTY, THERE IS A SIGNIFICANT STRAIN ON BEING ABLE TO PROVIDE YOUTHS WITH NECESSITIES. IN THE ST. LUKE'S WARREN SERVICE AREA, 28.78% OF CHILDREN LIVE IN POVERTY, COMPARED TO 21.17% NATIONWIDE.

SCHEDULE H, PART VI; QUESTION 5

THE ENTIRE ST. LUKE'S UNIVERSITY HEALTH NETWORK PROMOTES THE HEALTH OF THE COMMUNITY ON A DAILY BASIS THROUGHOUT THE YEAR. THE NETWORK COORDINATES AND OFFERS NUMEROUS COMMUNITY BENEFIT PROGRAMS, OUTCOMES BASED INITIATIVES AND SUPPORT GROUPS TO THE COMMUNITY, WITH A SPECIAL EMPHASIS ON OUR VULNERABLE POPULATIONS. PLEASE REFER TO SCHEDULE O FOR A DETAILED COMMUNITY BENEFIT STATEMENT.

**Part VI Supplemental Information**

Provide the following information.

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SCHEDULE H, PART VI; QUESTION 6

OUTLINED BELOW IS A SUMMARY OF THE ENTITIES WHICH COMPRISE THE ST. LUKE'S UNIVERSITY HEALTH NETWORK:

NOT FOR-PROFIT ST. LUKE'S UNIVERSITY HEALTH NETWORK ENTITIES:

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ST. LUKE'S HEALTH NETWORK, INC.

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ST. LUKE'S HEALTH NETWORK, INC. IS THE TAX-EXEMPT PARENT OF ST. LUKE'S UNIVERSITY HEALTH NETWORK ("ST. LUKE'S"). THIS INTEGRATED HEALTHCARE DELIVERY SYSTEM CONSISTS OF A GROUP OF AFFILIATED HEALTHCARE ORGANIZATIONS. THIS ORGANIZATION IS THE SOLE MEMBER OF EACH AFFILIATED ENTITY. ST. LUKE'S IS AN INTEGRATED NETWORK OF HEALTHCARE PROVIDERS THROUGHOUT THE STATES OF PENNSYLVANIA AND NEW JERSEY.

**Part VI** Supplemental Information

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ST. LUKE'S HEALTH NETWORK, INC. IS AN ORGANIZATION RECOGNIZED BY THE  
INTERNAL REVENUE SERVICE AS TAX-EXEMPT PURSUANT TO INTERNAL REVENUE CODE  
§501(C)(3) AND AS A NON-PRIVATE FOUNDATION PURSUANT TO INTERNAL REVENUE  
CODE §509(A)(3).

AS THE PARENT ORGANIZATION, ST. LUKE'S HEALTH NETWORK, INC. STRIVES TO  
CONTINUALLY DEVELOP AND OPERATE A MULTI-HOSPITAL HEALTHCARE NETWORK WHICH  
PROVIDES SUBSTANTIAL COMMUNITY BENEFIT THROUGH THE PROVISION OF A  
COMPREHENSIVE SPECTRUM OF HEALTHCARE SERVICES TO THE RESIDENTS OF  
PENNSYLVANIA AND NEW JERSEY AND SURROUNDING COMMUNITIES.

ST. LUKE'S HEALTH NETWORK, INC. ENSURES THAT ITS NETWORK PROVIDES  
EMERGENCY AND MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS  
REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN OR ABILITY TO PAY.  
THE NETWORK'S ACTIVE HOSPITALS INCLUDE: ST. LUKE'S ALLENTOWN CAMPUS, ST.  
LUKE'S ANDERSON CAMPUS, ST. LUKE'S BETHLEHEM CAMPUS, ST. LUKE'S LEHIGHTON  
CAMPUS, ST. LUKE'S MINERS CAMPUS, ST. LUKE'S MONROE CAMPUS, ST. LUKE'S  
SACRED HEART CAMPUS, ST. LUKE'S UPPER BUCKS CAMPUS AND ST. LUKE'S WARREN

**Part VI Supplemental Information**

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CAMPUS. EACH OF THESE HOSPITALS OPERATES CONSISTENTLY WITH THE FOLLOWING  
 CRITERIA OUTLINED IN INTERNAL REVENUE SERVICE ("IRS") REVENUE RULING  
 69-545:

- 1) EACH PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL  
 INDIVIDUALS REGARDLESS OF ABILITY TO PAY, INCLUDING CHARITY CARE,  
 SELF-PAY, MEDICARE AND MEDICAID PATIENTS;
- 2) EACH OPERATES AN ACTIVE EMERGENCY DEPARTMENT FOR ALL PERSONS; WHICH IS  
 OPEN 24 HOURS A DAY, 7 DAYS A WEEK, 365 DAYS PER YEAR;
- 3) EACH MAINTAINS AN OPEN MEDICAL STAFF, WITH PRIVILEGES AVAILABLE TO ALL  
 QUALIFIED PHYSICIANS;
- 4) CONTROL OF EACH RESTS WITH ITS BOARD OF TRUSTEES AND THE BOARD OF  
 TRUSTEES OF ST. LUKE'S HEALTH NETWORK, INC. BOTH BOARDS ARE COMPRISED OF  
 A MAJORITY OF INDEPENDENT CIVIC LEADERS AND OTHER PROMINENT MEMBERS OF  
 THE COMMUNITY; AND

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5) SURPLUS FUNDS ARE USED TO IMPROVE THE QUALITY OF PATIENT CARE, EXPAND AND RENOVATE FACILITIES AND ADVANCE MEDICAL CARE; PROGRAMS AND ACTIVITIES.

ST. LUKE'S HOSPITAL OF BETHLEHEM, PENNSYLVANIA

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ST. LUKE'S HOSPITAL OF BETHLEHEM, PENNSYLVANIA IS COMPRISED OF TWO ACUTE CARE NON-PROFIT HOSPITAL CAMPUSES: ST. LUKE'S ALLENTOWN CAMPUS LOCATED IN ALLENTOWN, PENNSYLVANIA AND ST. LUKE'S BETHLEHEM CAMPUS LOCATED IN BETHLEHEM CAMPUS LOCATED IN BETHLEHEM, PENNSYLVANIA. ST. LUKE'S HOSPITAL OF BETHLEHEM, PENNSYLVANIA IS RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS AN INTERNAL REVENUE CODE §501(C)(3) TAX-EXEMPT ORGANIZATION. PURSUANT TO ITS CHARITABLE PURPOSES, THE ORGANIZATION PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN OR ABILITY TO PAY. MOREOVER, ST. LUKE'S HOSPITAL OF BETHLEHEM, PENNSYLVANIA OPERATES CONSISTENTLY WITH THE CRITERIA OUTLINED

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IN IRS REVENUE RULING 69-545.

ST. LUKE'S AIRMED, LLC

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A LIMITED LIABILITY COMPANY DISREGARDED FOR FEDERAL INCOME TAX PURPOSES OWNED BY ST. LUKE'S HOSPITAL OF BETHLEHEM, PENNSYLVANIA. THIS ENTITY IS CURRENTLY INACTIVE.

ST. LUKE'S HOMESTAR SERVICES, LLC

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A LIMITED LIABILITY COMPANY DISREGARDED FOR FEDERAL INCOME TAX PURPOSES OWNED BY ST. LUKE'S HOSPITAL OF BETHLEHEM, PENNSYLVANIA. THE ORGANIZATION SUPPORTS THE HEALTH CARE SYSTEM; PRIMARILY ITS TAX-EXEMPT ACUTE CARE HOSPITALS, WHICH PROVIDE MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS IN A NON-DISCRIMINATORY MANNER REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY. THIS

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ORGANIZATION ENGAGES IN HEALTHCARE SERVICES WHICH ARE HIGH QUALITY AND COST EFFECTIVE FOR THE BENEFIT OF THE COMMUNITY AND IN SUPPORT OF THE CHARITABLE PURPOSES OF THE HEALTH CARE SYSTEM.

POCONO MRI IMAGING AND DIAGNOSTIC CENTER, LLC

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A LIMITED LIABILITY COMPANY DISREGARDED FOR FEDERAL INCOME TAX PURPOSES OWNED BY ST. LUKE'S HOSPITAL OF BETHLEHEM, PENNSYLVANIA. THIS ENTITY IS CURRENTLY INACTIVE.

EVANTAGE HEALTH, LLC

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A LIMITED LIABILITY COMPANY DISREGARDED FOR FEDERAL INCOME TAX PURPOSES OWNED BY ST. LUKE'S HOSPITAL OF BETHLEHEM, PENNSYLVANIA. THIS ENTITY IS CURRENTLY INACTIVE.

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- 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.

ST. LUKE'S CARE, LLC

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A LIMITED LIABILITY COMPANY DISREGARDED FOR FEDERAL INCOME TAX PURPOSES OWNED BY ST. LUKE'S HOSPITAL OF BETHLEHEM, PENNSYLVANIA. THE ORGANIZATION SUPPORTS THE HEALTH CARE SYSTEM; PRIMARILY ITS TAX-EXEMPT ACUTE CARE HOSPITALS, WHICH PROVIDE MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS IN A NON-DISCRIMINATORY MANNER REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY. THIS ORGANIZATION ENGAGES IN HEALTHCARE SERVICES WHICH ARE HIGH QUALITY AND COST EFFECTIVE FOR THE BENEFIT OF THE COMMUNITY AND IN SUPPORT OF THE CHARITABLE PURPOSES OF THE HEALTH CARE SYSTEM.

ST. LUKE'S SHARED SAVINGS PLAN, LLC

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A LIMITED LIABILITY COMPANY DISREGARDED FOR FEDERAL INCOME TAX PURPOSES OWNED BY ST. LUKE'S HOSPITAL OF BETHLEHEM, PENNSYLVANIA. THIS ENTITY IS

**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.

LOCATED IN ALLENTOWN PENNSYLVANIA. THE ORGANIZATION IS CURRENTLY  
INACTIVE.

ST. LUKE'S HOSPITAL ANDERSON CAMPUS  
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ST. LUKE'S HOSPITAL ANDERSON CAMPUS IS AN ACUTE CARE NON-PROFIT HOSPITAL  
LOCATED IN EASTON, PENNSYLVANIA. ST. LUKE'S HOSPITAL ANDERSON CAMPUS IS  
RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS AN INTERNAL REVENUE CODE  
§501(C)(3) TAX-EXEMPT ORGANIZATION. PURSUANT TO ITS CHARITABLE PURPOSES,  
THE ORGANIZATION PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL  
INDIVIDUALS REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN OR  
ABILITY TO PAY. MOREOVER, ST. LUKE'S HOSPITAL ANDERSON CAMPUS OPERATES  
CONSISTENTLY WITH THE CRITERIA OUTLINED IN IRS REVENUE RULING 69-545.

ST. LUKE'S HOSPITAL MONROE CAMPUS  
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**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.

ST. LUKE'S HOSPITAL MONROE CAMPUS IS AN ACUTE CARE NON-PROFIT HOSPITAL LOCATED IN STROUDSBURG, PENNSYLVANIA. ST. LUKE'S HOSPITAL MONROE CAMPUS IS RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS AN INTERNAL REVENUE CODE §501(C)(3) TAX-EXEMPT ORGANIZATION. PURSUANT TO ITS CHARITABLE PURPOSES, THE ORGANIZATION PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN OR ABILITY TO PAY. MOREOVER, ST. LUKE'S HOSPITAL MONROE CAMPUS OPERATES CONSISTENTLY WITH THE CRITERIA OUTLINED IN IRS REVENUE RULING 69-545.

CARBON-SCHUYLKILL COMMUNITY HOSPITAL, INC.

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CARBON-SCHUYLKILL COMMUNITY HOSPITAL, INC. DBA ST. LUKE'S MINERS CAMPUS IS AN ACUTE CARE NON-PROFIT HOSPITAL LOCATED IN COALDALE, PENNSYLVANIA. CARBON-SCHUYLKILL COMMUNITY HOSPITAL, INC. IS RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS AN INTERNAL REVENUE CODE §501(C)(3) TAX-EXEMPT ORGANIZATION. PURSUANT TO ITS CHARITABLE PURPOSES, THE ORGANIZATION PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS

**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.

REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN OR ABILITY TO PAY.

MOREOVER, CARBON-SCHUYLKILL COMMUNITY HOSPITAL, INC. OPERATES

CONSISTENTLY WITH THE CRITERIA OUTLINED IN IRS REVENUE RULING 69-545.

ST. LUKE'S QUAKERTOWN HOSPITAL

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ST. LUKE'S QUAKERTOWN HOSPITAL INCLUDES THE ST. LUKE'S QUAKERTOWN CAMPUS AND ST. LUKE'S UPPER BUCKS CAMPUS. THE ST. LUKE'S QUAKERTOWN CAMPUS IS LOCATED IN QUAKERTOWN, PENNSYLVANIA AND OFFERS IN-PATIENT BEHAVIORAL HEALTH SERVICES AS WELL AS A VARIETY OF OUTPATIENT SERVICES. ST. LUKE'S UPPER BUCKS CAMPUS IS AN ACUTE CARE NON-PROFIT HOSPITAL LOCATED IN QUAKERTOWN, PENNSYLVANIA. ST. LUKE'S QUAKERTOWN HOSPITAL, INC. IS RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS AN INTERNAL REVENUE CODE §501(C)(3) TAX-EXEMPT ORGANIZATION. PURSUANT TO ITS CHARITABLE PURPOSES, THE ORGANIZATION PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN OR ABILITY TO PAY. MOREOVER, ST. LUKE'S QUAKERTOWN HOSPITAL OPERATES

**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.
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- 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.

CONSISTENTLY WITH THE CRITERIA OUTLINED IN IRS REVENUE RULING 69-545.

ST. LUKE'S WARREN HOSPITAL, INC.

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ST. LUKE'S WARREN HOSPITAL, INC. IS AN ACUTE CARE NON-PROFIT HOSPITAL  
 LOCATED IN PHILLIPSBURG, NEW JERSEY. ST. LUKE'S WARREN HOSPITAL, INC. IS  
 RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS AN INTERNAL REVENUE CODE  
 §501(C)(3) TAX-EXEMPT ORGANIZATION. PURSUANT TO ITS CHARITABLE PURPOSES,  
 THE ORGANIZATION PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL  
 INDIVIDUALS REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN OR  
 ABILITY TO PAY. MOREOVER, ST. LUKE'S WARREN HOSPITAL, INC. OPERATES  
 CONSISTENTLY WITH THE CRITERIA OUTLINED IN IRS REVENUE RULING 69-545.

BLUE MOUNTAIN HOSPITAL, INC.

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BLUE MOUNTAIN HOSPITAL, INC. INCLUDES THE ST. LUKE'S PALMERTON CAMPUS AND

**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.

ST. LUKE'S LEHIGHTON CAMPUS. THE ST. LUKE'S PALMERTON CAMPUS IS LOCATED IN PALMERTON, PENNSYLVANIA AND OFFERS URGENT CARE SERVICES. THE ST. LUKE'S LEHIGHTON CAMPUS IS AN ACUTE CARE NON-PROFIT HOSPITAL LOCATED IN LEHIGHTON, PENNSYLVANIA. THIS CAMPUS ALSO INCLUDES THE SUMMIT NURSING AND REHABILITATION CENTER; A SKILLED NURSING FACILITY. BLUE MOUNTAIN HOSPITAL, INC. IS RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS AN INTERNAL REVENUE CODE §501(C)(3) TAX-EXEMPT ORGANIZATION. PURSUANT TO ITS CHARITABLE PURPOSES, THE ORGANIZATION PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN OR ABILITY TO PAY. MOREOVER, BLUE MOUNTAIN HOSPITAL, INC. OPERATES CONSISTENTLY WITH THE CRITERIA OUTLINED IN IRS REVENUE RULING 69-545.

MAHONING SELF STORAGE, LLC

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A LIMITED LIABILITY COMPANY DISREGARDED FOR FEDERAL INCOME TAX PURPOSES OWNED BY BLUE MOUNTAIN HOSPITAL, INC. THE ORGANIZATION SUPPORTS THE

**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.

HEALTH CARE SYSTEM; PRIMARILY ITS TAX-EXEMPT ACUTE CARE HOSPITALS, WHICH PROVIDE MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS IN A NON-DISCRIMINATORY MANNER REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY. THIS ORGANIZATION ENGAGES IN HEALTHCARE SERVICES WHICH ARE HIGH QUALITY AND COST EFFECTIVE FOR THE BENEFIT OF THE COMMUNITY AND IN SUPPORT OF THE CHARITABLE PURPOSES OF THE HEALTH CARE SYSTEM.

SACRED HEART HOSPITAL OF ALLENTOWN

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SACRED HEART HOSPITAL OF ALLENTOWN DBA ST. LUKE'S SACRED HEART CAMPUS IS AN ACUTE CARE NON-PROFIT HOSPITAL LOCATED IN ALLENTOWN, PENNSYLVANIA. SACRED HEART HOSPITAL OF ALLENTOWN IS RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS AN INTERNAL REVENUE CODE §501(C)(3) TAX-EXEMPT ORGANIZATION. PURSUANT TO ITS CHARITABLE PURPOSES, THE ORGANIZATION PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN OR ABILITY TO PAY. MOREOVER, SACRED

**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.

HEART HOSPITAL OF ALLENTOWN OPERATES CONSISTENTLY WITH THE CRITERIA  
OUTLINED IN IRS REVENUE RULING 69-545.

QUALITY PATIENT CARE, LLC

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A LIMITED LIABILITY COMPANY DISREGARDED FOR FEDERAL INCOME TAX PURPOSES OWNED BY SACRED HEART HOSPITAL OF ALLENTOWN. THE ORGANIZATION SUPPORTS THE HEALTH CARE SYSTEM; PRIMARILY ITS TAX-EXEMPT ACUTE CARE HOSPITALS, WHICH PROVIDE MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS IN A NON-DISCRIMINATORY MANNER REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY. THIS ORGANIZATION ENGAGES IN HEALTHCARE SERVICES WHICH ARE HIGH QUALITY AND COST EFFECTIVE FOR THE BENEFIT OF THE COMMUNITY AND IN SUPPORT OF THE CHARITABLE PURPOSES OF THE HEALTH CARE SYSTEM.

ST. LUKE'S HOSPITAL - EASTON CAMPUS

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**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.
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- 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.

ST. LUKE'S HOSPITAL - EASTON CAMPUS IS AN ACUTE CARE NON-PROFIT HOSPITAL LOCATED IN EASTON, PENNSYLVANIA. ST. LUKE'S HOSPITAL - EASTON CAMPUS IS RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS AN INTERNAL REVENUE CODE §501(C)(3) TAX-EXEMPT ORGANIZATION. THIS ORGANIZATION WAS INACTIVE FOR THE YEAR-ENDED JUNE 30, 2020.

ST. LUKE'S PHYSICIAN GROUP, INC.

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ST. LUKE'S PHYSICIAN GROUP, INC. IS AN ORGANIZATION RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS TAX-EXEMPT PURSUANT TO INTERNAL REVENUE CODE §501(C)(3) AND AS A NON-PRIVATE FOUNDATION PURSUANT TO INTERNAL REVENUE CODE §509(A)(3). THE ORGANIZATION PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN OR ABILITY TO PAY.

ST. LUKE'S EMERGENCY & TRANSPORT SERVICES, INC.

**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.
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- 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.

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ST. LUKE'S EMERGENCY & TRANSPORT SERVICES, INC. IS AN ORGANIZATION  
 RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS TAX-EXEMPT PURSUANT TO  
 INTERNAL REVENUE CODE §501(C)(3) AND AS A NON-PRIVATE FOUNDATION PURSUANT  
 TO INTERNAL REVENUE CODE §170(B)(1)(A)(III). THE ORGANIZATION PROVIDES  
 EMT SERVICES TO ALL INDIVIDUALS REGARDLESS OF RACE, COLOR, CREED, SEX,  
 NATIONAL ORIGIN OR ABILITY TO PAY.

QUAKERTOWN REHABILITATION CENTER

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QUAKERTOWN REHABILITATION CENTER DBA ST. LUKE'S REHABILITATION CENTER IS  
 AN ORGANIZATION RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS TAX-EXEMPT  
 PURSUANT TO INTERNAL REVENUE CODE §501(C)(3) AND AS A NON-PRIVATE  
 FOUNDATION PURSUANT TO INTERNAL REVENUE CODE §170(B)(1)(A)(III). THIS  
 ORGANIZATION IS CURRENTLY INACTIVE.

**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.
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- 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.

VISITING NURSE ASSOCIATION OF ST. LUKE'S - HOME HEALTH/HOSPICE, INC.

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VISITING NURSE ASSOCIATION OF ST. LUKE'S - HOME HEALTH/HOSPICE, INC. IS AN ORGANIZATION RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS TAX-EXEMPT PURSUANT TO INTERNAL REVENUE CODE §501(C)(3) AND AS A NON-PRIVATE FOUNDATION PURSUANT TO INTERNAL REVENUE CODE §509(A)(1). THE ORGANIZATION PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN OR ABILITY TO PAY.

HOMESTAR MEDICAL EQUIPMENT AND INFUSION SERVICES, INC.

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HOMESTAR MEDICAL EQUIPMENT AND INFUSION SERVICES, INC. IS AN ORGANIZATION RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS TAX-EXEMPT PURSUANT TO INTERNAL REVENUE CODE §501(C)(3) AND AS A NON-PRIVATE FOUNDATION PURSUANT TO INTERNAL REVENUE CODE §509(A)(2). THE ORGANIZATION IS CURRENTLY INACTIVE.

**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.
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- 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.

CMS MEDICAL CARE CORPORATION

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CMS MEDICAL CARE CORPORATION IS AN ORGANIZATION RECOGNIZED BY THE  
INTERNAL REVENUE SERVICE AS TAX-EXEMPT PURSUANT TO INTERNAL REVENUE CODE  
§501(C)(3) AND AS A NON-PRIVATE FOUNDATION PURSUANT TO INTERNAL REVENUE  
CODE §509(A)(3). THE ORGANIZATION PROVIDES MEDICALLY NECESSARY  
HEALTHCARE SERVICES TO ALL INDIVIDUALS REGARDLESS OF RACE, COLOR, CREED,  
SEX, NATIONAL ORIGIN OR ABILITY TO PAY.

SACRED HEART HEALTHCARE SYSTEM

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SACRED HEART HEALTHCARE SYSTEM IS AN ORGANIZATION RECOGNIZED BY THE  
INTERNAL REVENUE SERVICE AS TAX-EXEMPT PURSUANT TO INTERNAL REVENUE CODE  
501(C)(3) AND AS A NON-PRIVATE FOUNDATION PURSUANT TO INTERNAL REVENUE  
CODE 509(A)(3). THE PURPOSE OF THE ORGANIZATION IS TO PROMOTE THE HEALTH,

**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.
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- 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.

CHARITABLE AND EDUCATIONAL PURPOSES OF ST. LUKE'S HEALTH NETWORK, INC.,  
 SACRED HEART HOSPITAL OF ALLENTOWN AND OTHER AFFILIATES WITHIN THE  
 NETWORK.

ST. LUKE'S AMBULATORY SERVICES, INC.  
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ST. LUKE'S AMBULATORY SERVICES, INC. IS AN ORGANIZATION RECOGNIZED BY THE  
 INTERNAL REVENUE SERVICE AS TAX-EXEMPT PURSUANT TO INTERNAL REVENUE CODE  
 §501(C)(3) AND AS A NON-PRIVATE FOUNDATION PURSUANT TO INTERNAL REVENUE  
 CODE §170(B)(1)(A)(III). THE ORGANIZATION PROVIDES MEDICALLY NECESSARY  
 HEALTHCARE SERVICES TO ALL INDIVIDUALS REGARDLESS OF RACE, COLOR, CREED,  
 SEX, NATIONAL ORIGIN OR ABILITY TO PAY.

FOR-PROFIT ST. LUKE'S UNIVERSITY HEALTH NETWORK ENTITIES:  
 =====

ST. LUKE'S HEALTH NETWORK INSURANCE COMPANY

**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.

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AN ENTITY WHOSE MAJORITY SHAREHOLDER IS ST. LUKE'S HOSPITAL OF BETHLEHEM,  
PENNSYLVANIA. THIS ENTITY PROVIDES RISK RETENTION INSURANCE SERVICES.

ST. LUKE'S PHYSICIAN HOSPITAL ORGANIZATION, INC.

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AN ENTITY WHOSE CLASS B SHARES ARE WHOLLY OWNED BY ST. LUKE'S HOSPITAL OF  
BETHLEHEM, PENNSYLVANIA. THIS ENTITY PROVIDES CONTRACTING SERVICES.

HILLCREST EMERGENCY SERVICES, P.C.

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AN ENTITY WHOSE NOMINEE SOLE SHAREHOLDER IS A LICENSED MD HOLDING SHARES  
FOR THE BENEFIT OF ST. LUKE'S WARREN HOSPITAL, INC. THIS ORGANIZATION  
ENGAGES IN HEALTHCARE SERVICES WHICH ARE HIGH QUALITY AND COST EFFECTIVE  
FOR THE BENEFIT OF THE COMMUNITY AND IN SUPPORT OF THE CHARITABLE

**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.

PURPOSES OF THE HEALTH CARE SYSTEM.

ST. LUKE'S WARREN PHYSICIAN GROUP, P.C.

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AN ENTITY WHOSE NOMINEE SOLE SHAREHOLDER IS A LICENSED MD HOLDING SHARES FOR THE BENEFIT OF ST. LUKE'S WARREN HOSPITAL, INC. THIS ORGANIZATION ENGAGES IN HEALTHCARE SERVICES WHICH ARE HIGH QUALITY AND COST EFFECTIVE FOR THE BENEFIT OF THE COMMUNITY AND IN SUPPORT OF THE CHARITABLE PURPOSES OF THE HEALTH CARE SYSTEM.

TWO RIVERS ENTERPRISES, INC.

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AN ENTITY WHOSE SOLE SHAREHOLDER IS ST. LUKE'S HEALTH NETWORK, INC. THE ORGANIZATION IS LOCATED IN PHILLIPSBURG, NEW JERSEY. THIS ENTITY PROVIDES BILLING AND MANAGEMENT SERVICES.

**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.

SACRED HEART ANCILLARY SERVICES, INC.

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AN ENTITY WHOSE SOLE SHAREHOLDER IS SACRED HEART HOSPITAL OF ALLENTOWN.

THE ORGANIZATION IS LOCATED IN ALLENTOWN, LEHIGH COUNTY, PENNSYLVANIA.

THE ORGANIZATION SUPPORTS THE HEALTH CARE SYSTEM; PRIMARILY ITS

TAX-EXEMPT ACUTE CARE HOSPITALS, WHICH PROVIDE MEDICALLY NECESSARY

HEALTHCARE SERVICES TO ALL INDIVIDUALS IN A NON-DISCRIMINATORY MANNER

REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR

ABILITY TO PAY. THIS ORGANIZATION ENGAGES IN HEALTHCARE SERVICES WHICH

ARE HIGH QUALITY AND COST EFFECTIVE FOR THE BENEFIT OF THE COMMUNITY AND

IN SUPPORT OF THE CHARITABLE PURPOSES OF THE HEALTH CARE SYSTEM.

SCHEDULE H, PART VI; QUESTION 7

NOT APPLICABLE. THE ENTITY AND RELATED PROVIDER ORGANIZATIONS ARE LOCATED

IN PENNSYLVANIA AND NEW JERSEY. NO COMMUNITY BENEFIT REPORT IS REQUIRED

TO BE FILED WITH EITHER PENNSYLVANIA OR NEW JERSEY.

**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

**2019**

**Open to Public  
Inspection**

Name of the organization

ST. LUKE'S WARREN HOSPITAL, INC.

Employer identification number

22-1494454

**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 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 checked="" type="checkbox"/> Compensation committee              | <input type="checkbox"/> Written employment contract                                |
| <input checked="" type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study                    |
| <input checked="" type="checkbox"/> Form 990 of other organizations     | <input checked="" 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>1a</b>		
<b>1b</b>		
<b>2</b>		
<b>3</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>		

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

Schedule J (Form 990) 2019

**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 SCOTT R. WOLFE TRUSTEE - PRESIDENT SL WARREN	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	379,050.	111,496.	106,145.	11,200.	18,582.	626,473.	0.
2 JACK E. CHAMBERS, D.O. TRUSTEE	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	355,161.	33,040.	20,290.	11,200.	7,407.	427,098.	0.
3 THOMAS C. MCGINLEY, JR, PHYSICIAN	(i)	131,956.	174,001.	645.	11,200.	12,694.	330,496.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
4 EUGENE M. DECKER, D.O. TRUSTEE	(i)	223,153.	10,000.	1,410.	9,499.	15,816.	259,878.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
5 MARY J. SICILIANO, M.D. PHYSICIAN	(i)	221,063.	19,423.	480.	9,721.	7,211.	257,898.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
6 ALAN H. REMDE, M.D. PHYSICIAN	(i)	220,774.	6,923.	0.	5,798.	17,482.	250,977.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
7 RAYMOND S. BUCH, M.D. PHYSICIAN	(i)	225,238.	0.	457.	9,180.	15,766.	250,641.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
8 CHING-HUEY CHU, M.D. PHYSICIAN	(i)	203,985.	5,000.	453.	8,740.	18,048.	236,226.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
9 ELISA LANEVE VP PATIENT CARE SERVICES	(i)	194,153.	0.	300.	10,735.	7,323.	212,511.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
10	(i)							
	(ii)							
11	(i)							
	(ii)							
12	(i)							
	(ii)							
13	(i)							
	(ii)							
14	(i)							
	(ii)							
15	(i)							
	(ii)							
16	(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.

CORE FORM, PART VII AND SCHEDULE J

TAXABLE COMPENSATION REPORTED HEREIN IS DERIVED FROM 2019 FORMS W-2.

SCHEDULE J, PART I; QUESTION 3

COMPENSATION REVIEW

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EXECUTIVE COMPENSATION FOR THE HEALTH NETWORK CONSISTS OF FIXED SALARY, AT-RISK COMPENSATION AND OTHER DEFERRED COMPENSATION ARRANGEMENTS. TOTAL COMPENSATION FOR NETWORK EXECUTIVES IS APPROVED ANNUALLY BY THE NETWORK'S BOARD OF TRUSTEES. THE RECOMMENDED COMPENSATION IS ESTABLISHED THROUGH A MULTI-FACETED APPROACH INCLUDING USE OF AN INDEPENDENT CONSULTANT ENGAGED ON AN ONGOING BASIS BY THE BOARD OF TRUSTEES AND WHO WORKS DIRECTLY WITH THE EXECUTIVE COMPENSATION COMMITTEE OF THE BOARD. ALSO INCLUDED IS THE REVIEW OF FORMS 990 AND COMPENSATION SURVEYS OF OTHER COMPARABLE HEALTHCARE ORGANIZATIONS.

**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.

BONUS/INCENTIVE

-----

THE AT-RISK COMPENSATION IS APPROVED BY THE EXECUTIVE COMPENSATION COMMITTEE OF THE BOARD AND IS BASED ON SEVERAL QUALITATIVE AND QUANTITATIVE COMPONENTS, INCLUDING JOINT COMMISSION, PENNSYLVANIA DEPARTMENT OF HEALTH AND PENNSYLVANIA TRAUMA SYSTEMS FOUNDATION ACCREDITATIONS, EVIDENCE-BASED HOSPITAL PROCESS OF CARE MEASURES, OUTCOME MEASURES, SUCH AS PATIENT SATISFACTION, MORTALITY RATE, AND LENGTH OF STAY; EFFICIENCY MEASURES AS DEMONSTRATED BY COST-PER-ADJUSTED DISCHARGE AND NET INCOME.

OTHER REPORTABLE COMPENSATION

-----

OTHER BENEFITS INCLUDE DEFERRED COMPENSATION BENEFITS THAT HAD ACCUMULATED OVER YEARS OF SERVICE AND WAS REPORTED AND DISTRIBUTED IN ACCORDANCE WITH VESTING REQUIREMENTS AND INTERNAL REVENUE SERVICE RULES

**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.

AND REGULATIONS.

DEFERRED COMPENSATION

-----

DEFERRED COMPENSATION REPRESENTS RETIREMENT BENEFITS EARNED DURING THE REPORTING PERIOD, NOT RECOGNIZED AS COMPENSATION ON THE EMPLOYEE'S 2019 FORM W-2.

NONTAXABLE BENEFITS

-----

NONTAXABLE BENEFITS REPRESENTS HEALTH AND WELFARE BENEFITS RECEIVED DURING THE REPORTING PERIOD, NOT RECOGNIZED AS COMPENSATION ON THE EMPLOYEE'S 2019 FORM W-2.

COMPENSATION REPORTED ON PRIOR 990

-----

**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.

TOTAL COMPENSATION REPORTED ON PRIOR FORMS 990 REPRESENTS RECOGNITION OF DEFERRED COMPENSATION BENEFITS THAT HAD ACCUMULATED OVER YEARS OF SERVICE AND WAS REPORTED AND DISTRIBUTED IN ACCORDANCE WITH VESTING REQUIREMENTS AND INTERNAL REVENUE SERVICE RULES AND REGULATIONS. THESE AMOUNTS WERE PREVIOUSLY REPORTED IN SCHEDULE J, COLUMN COLUMN C - RETIREMENT AND OTHER DEFERRED COMPENSATION.

SCHEDULE J, PART I; QUESTION 4B

THE AMOUNT REFLECTED IN SCHEDULE J, PART II, COLUMN B(III) FOR THE FOLLOWING INDIVIDUAL INCLUDES AMOUNTS RELATED TO VESTED CAPITAL ACCUMULATION FOR POST-RETIREMENT DEATH BENEFITS. THE AMOUNT OUTLINED HEREIN WAS INCLUDED IN THIS INDIVIDUAL'S 2019 FORM W-2, BOX 5, AS TAXABLE MEDICARE WAGES: SCOTT R. WOLFE, \$68,839.

SCHEDULE J, PART I; QUESTIONS 6A AND 6B

THE EXECUTIVE COMPENSATION PACKAGE FOR THE HEALTH NETWORK CONSISTS OF

**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.

BOTH A FIXED SALARY AND ADDITIONAL AT-RISK COMPENSATION THAT IS BASED ON SEVERAL QUALITATIVE AND QUANTITATIVE COMPONENTS. THE COMPONENTS OF THE AT-RISK COMPENSATION PLAN INCLUDES JCAHO, DEPARTMENT OF HEALTH AND TRAUMA CENTER ACCREDITATIONS, EVIDENCE BASED HOSPITAL PROCESS OF CARE MEASURES, OUTCOME MEASURES SUCH AS PATIENT SATISFACTION, MORTALITY RATE, LENGTH OF STAY, EFFICIENCY MEASURES AS DEMONSTRATED BY COST PER ADJUSTED DISCHARGE AND FINALLY NET INCOME.

SCHEDULE J, PART I; QUESTION 7

CERTAIN INDIVIDUALS INCLUDED IN SCHEDULE J, PART II RECEIVED AT-RISK COMPENSATION DURING CALENDAR YEAR 2019 WHICH WERE INCLUDED IN SCHEDULE J, PART II, COLUMN B(II) HEREIN AND IN THE INDIVIDUAL'S 2019 FORM W-2, BOX 5, AS TAXABLE MEDICARE WAGES. PLEASE REFER TO THIS SECTION OF THE FORM 990, SCHEDULE J FOR THIS INFORMATION BY PERSON BY AMOUNT.

**SCHEDULE K  
(Form 990)**

**Supplemental Information on Tax-Exempt Bonds**

OMB No. 1545-0047

**2019**

**Open to Public  
Inspection**

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.**

▶ **Attach to Form 990.**

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

Department of the Treasury  
Internal Revenue Service

Name of the organization

ST. LUKE'S WARREN HOSPITAL, INC.

Employer identification number

22-1494454

**Part I Bond Issues**

(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pooled financing	
						Yes	No	Yes	No	Yes	No
A NJ HEALTHCARE FACILITIES FINANCING AUTHORITY	22-1987084	64579F3L5	06/06/2013	39,324,451.	REFER TO SCHEDULE K, PART VI		X		X		X
B											
C											
D											

**Part II Proceeds**

	A		B		C		D	
1 Amount of bonds retired . . . . .								
2 Amount of bonds legally defeased . . . . .								
3 Total proceeds of issue . . . . .	39,324,451.							
4 Gross proceeds in reserve funds . . . . .								
5 Capitalized interest from proceeds . . . . .								
6 Proceeds in refunding escrows . . . . .								
7 Issuance costs from proceeds . . . . .	665,330.							
8 Credit enhancement from proceeds . . . . .								
9 Working capital expenditures from proceeds . . . . .								
10 Capital expenditures from proceeds . . . . .								
11 Other spent proceeds . . . . .								
12 Other unspent proceeds . . . . .								
13 Year of substantial completion . . . . .	2013							
	Yes	No	Yes	No	Yes	No	Yes	No
14 Were the bonds issued as part of a refunding issue of tax-exempt bonds (or, if issued prior to 2018, a current refunding issue)? . . . . .	X							
15 Were the bonds issued as part of a refunding issue of taxable bonds (or, if issued prior to 2018, an advance refunding issue)? . . . . .		X						
16 Has the final allocation of proceeds been made? . . . . .	X							
17 Does the organization maintain adequate books and records to support the final allocation of proceeds? . . . . .	X							

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

Schedule K (Form 990) 2019

Part III Private Business Use		TAX-EXEMPT BOND LIABILITIES							
		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds? . . . . .		X						
2	Are there any lease arrangements that may result in private business use of bond-financed property? . . . . .		X						
3a	Are there any management or service contracts that may result in private business use of bond-financed property? . . . . .		X						
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property? . . . . .								
c	Are there any research agreements that may result in private business use of bond-financed property? . . . . .		X						
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property? . . . . .								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government . . . . . ▶		%		%		%		%
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government . . . . . ▶		%		%		%		%
6	Total of lines 4 and 5 . . . . .		%		%		%		%
7	Does the bond issue meet the private security or payment test? . . . . .	X							
8a	Has there been a sale or disposition of any of the bond-financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued? . . . . .		X						
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of . . . . .		%		%		%		%
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2? . . . . .								
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2? . . . . .	X							

Part IV Arbitrage									
		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate? . . . . .		X						
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet? . . . . .	X							
b	Exception to rebate? . . . . .		X						
c	No rebate due? . . . . .		X						
	If "Yes" to line 2c, provide in Part VI the date the rebate computation was performed . . . . .								
3	Is the bond issue a variable rate issue? . . . . .		X						



**Part VI** **Supplemental Information.** Provide additional information for responses to questions on Schedule K (see instructions) *(Continued)*

SCHEDULE K; PART I, LINE A; COLUMN C

PLEASE NOTE THE SERIES 2013 BOND REPORTED IN SCHEDULE K, PART I, LINE A,  
COLUMN C INCLUDES THE FOLLOWING CUSIP NUMBERS: 64579F3L5, 64579F3M3,  
64579F3NI AND 64579F3P6.

SCHEDULE K; PART I; COLUMN F

THE PROCEEDS OF THE 2013 BONDS WERE USED BY THE HOSPITAL TO PAY A PORTION  
OF THE COST OF A PROJECT CONSISTING GENERALLY OF THE CURRENT REFUNDING OF  
ALL AUTHORITY REVENUE BONDS: ST. LUKE'S WARREN HOSPITAL ISSUE SERIES 2012  
AND THE PAYMENT OF CERTAIN COST INCIDENTAL TO THE ISSUANCE AND SALE OF  
THE SERIES 2013 BONDS.

SCHEDULE K; PART IV; QUESTION 2

THE REBATE CALCULATION FOR THE 2013 SERIES BOND WAS PERFORMED ON JUNE 19,  
2018 (FOR THE PERIOD JUNE 6, 2013 THROUGH JUNE 6, 2018).

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

Department of the Treasury  
Internal Revenue Service

Name of the organization

ST. LUKE'S WARREN HOSPITAL, INC.

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

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

▶ Attach to Form 990 or 990-EZ.

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

OMB No. 1545-0047

**2019**

**Open to Public  
Inspection**

Employer identification number

22-1494454

CORE FORM, PART III, STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS

ST. LUKE'S WARREN HOSPITAL, INC. (SL-WARREN) IS A JOINT  
COMMISSION-ACCREDITED, NOT-FOR-PROFIT, 198-LICENSED BED ACUTE CARE  
HOSPITAL LOCATED IN PHILLIPSBURG, WARREN COUNTY, NEW JERSEY, PROVIDING  
CARE PRIMARILY TO RESIDENTS OF WARREN AND HUNTERDON COUNTIES IN NEW  
JERSEY, AND THE CITY OF EASTON IN NORTHAMPTON COUNTY, PENNSYLVANIA.

IN FISCAL YEAR 2020, (FY'20), SL-WARREN ANNUALLY PROVIDES PATIENT CARE  
FOR 4,838 OBSERVATIONS AND ADMISSIONS, 94,966 OUTPATIENT VISITS AND  
25,047 EMERGENCY DEPARTMENT (ED) VISITS AND IS RECOGNIZED BY THE INTERNAL  
REVENUE SERVICE (IRS) AS AN INTERNAL REVENUE CODE SECTION 501(C)(3)  
TAX-EXEMPT ORGANIZATION.

PURSUANT TO ITS CHARITABLE PURPOSES, SL-WARREN PROVIDES MEDICALLY  
NECESSARY HEALTH CARE SERVICE TO ALL INDIVIDUALS IN A NON-DISCRIMINATORY  
MANNER REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN OR ABILITY  
TO PAY. MOREOVER, SL-WARREN OPERATES CONSISTENTLY WITH THE FOLLOWING  
CRITERIA OUTLINED IN IRS REVENUE RULING 69-545:

1) SL-WARREN PROVIDES MEDICALLY NECESSARY HEALTH CARE SERVICES TO ALL  
INDIVIDUALS REGARDLESS OF ABILITY TO PAY, INCLUDING CHARITY CARE,  
SELF-PAY, MEDICARE AND MEDICAID PATIENTS;

Name of the organization ST. LUKE'S WARREN HOSPITAL, INC.	Employer identification number 22-1494454
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2) SL-WARREN OPERATES AN ACTIVE EMERGENCY ROOM FOR ALL PERSONS; WHICH IS OPEN 24 HOURS A DAY, SEVEN DAYS A WEEK, 365 DAYS PER YEAR;

3) SL-WARREN MAINTAINS AN OPEN MEDICAL STAFF WITH PRIVILEGES AVAILABLE TO ALL QUALIFIED PHYSICIANS;

4) CONTROL OF SL-WARREN RESTS WITH ITS BOARD OF DIRECTORS AND THE BOARD OF DIRECTORS OF ST. LUKE'S HEALTH NETWORK, INC., D.B.A. ST. LUKE'S UNIVERSITY HEALTH NETWORK. BOTH BOARDS ARE COMPRISED OF A MAJORITY OF INDEPENDENT CIVIC LEADERS AND OTHER PROMINENT MEMBERS OF THE COMMUNITY, AS WELL AS PHYSICIANS ON THE HOSPITAL/NETWORK MEDICAL STAFF; AND

5) SURPLUS FUNDS ARE USED TO IMPROVE THE QUALITY OF PATIENT CARE, EXPAND AND RENOVATE FACILITIES AND ADVANCE MEDICAL CARE, PROGRAMS AND ACTIVITIES.

THE OPERATIONS OF SL-WARREN, AS SHOWN THROUGH THE FACTORS OUTLINED ABOVE AND OTHER INFORMATION CONTAINED HEREIN, CLEARLY DEMONSTRATE THAT THE USE AND CONTROL OF SL-WARREN IS FOR THE BENEFIT OF THE PUBLIC AND THAT NO PART OF THE INCOME OR NET EARNINGS OF THE ORGANIZATION INURES TO THE BENEFIT OF ANY PRIVATE INDIVIDUAL NOR IS ANY PRIVATE INTEREST BEING SERVED OTHER THAN INCIDENTALLY.

MISSION

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Name of the organization ST. LUKE'S WARREN HOSPITAL, INC.	Employer identification number 22-1494454
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THE MISSION OF ST. LUKE'S WARREN CAMPUS IS TO CARE FOR THE SICK AND INJURED REGARDLESS OF THEIR ABILITY TO PAY, IMPROVE OUR COMMUNITIES' OVERALL HEALTH, AND EDUCATE OUR HEALTH CARE PROFESSIONALS.

THE MISSION WILL BE ACCOMPLISHED BY THE FOLLOWING:

- MAKING THE PATIENT OUR HIGHEST PRIORITY.
- PROMOTING HEALTHY LIFESTYLES AND CONTINUOUSLY IMPROVING CARE PROVIDED TO HEAL THE SICK AND INJURED.
- COORDINATING AND INTEGRATING SERVICES INTO A SEAMLESS, EASILY ACCESSIBLE SYSTEM OF CARE.
- IMPROVING THE LEVEL OF SERVICE PROVIDED THROUGHOUT THE NETWORK.
- ENSURING ALL HEALTH CARE SERVICES ARE RELEVANT TO THE NEEDS OF THE COMMUNITY.
- STRIVING TO MAXIMIZE THE SATISFACTION OF OUR PATIENTS, EMPLOYEES, MEDICAL STAFF AND VOLUNTEERS, AND
- TRAINING ALLIED HEALTH PROFESSIONALS, NURSING AND MEDICAL STUDENTS, AND RESIDENTS AND FELLOWS AND ATTRACTING THEM TO PRACTICE WITHIN OUR NETWORK'S SERVICE AREA.

OVERVIEW

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FOUNDED IN 1923, SL-WARREN WAS ACQUIRED BY NATIONALLY RECOGNIZED ST.

Name of the organization ST. LUKE'S WARREN HOSPITAL, INC.	Employer identification number 22-1494454
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LUKE'S UNIVERSITY HEALTH NETWORK (NETWORK) IN 2012. SINCE THAT TIME, ST. LUKE'S HAS CONTINUOUSLY IMPROVED THE QUALITY OF, AND ACCESS TO, CARE. SL-WARREN CURRENTLY PROVIDES PATIENTS WITH ACCESS TO MORE THAN 435 PHYSICIANS ACROSS NEARLY 60 MEDICAL SPECIALTIES.

SL-WARREN IS CERTIFIED AS A PRIMARY STROKE CENTER BY THE NEW JERSEY DEPARTMENT OF HEALTH AND SENIOR SERVICES. THE ST. LUKE'S WARREN CAMPUS IS PART OF ST. LUKE'S INTEGRATED NETWORK CANCER PROGRAM (INCP), WHICH IS ACCREDITED WITH COMMENDATION BY THE AMERICAN COLLEGE OF SURGEONS. SL-WARREN OFFERS WOUND MANAGEMENT SERVICES, INCLUDING HYPERBARIC OXYGEN THERAPY (HBOT), WHICH IS ACCREDITED BY THE UNDERSEA AND HYPERBARIC MEDICAL SOCIETY. THE HOSPITAL RECEIVED ADDITIONAL PAYMENT IN THE CENTERS FOR MEDICARE & MEDICAID SERVICES (CMS) VALUE-BASED PURCHASING PROGRAM, PERFORMING BETTER THAN PEER HOSPITALS IN NEW JERSEY.

SL-WARREN CONTINUES TO PARTICIPATE IN THE NEW JERSEY DEPARTMENT OF HEALTH & SENIORS SERVICES PUBLIC REPORTING INITIATIVE. PERFORMANCE IMPROVEMENT TEAMS WORK TO CONTINUOUSLY IMPROVE THE PROCESS OF CARE PROVIDED TO PATIENTS SUFFERING A HEART ATTACK, PATIENTS WITH PNEUMONIA OR HEALTH FAILURE AND THOSE UNDERGOING SURGICAL PROCEDURES.

THE HOSPITAL'S SPECIALTY SERVICES INCLUDE BUT ARE NOT LIMITED TO THE FOLLOWING:

- BEHAVIORAL HEALTH, OUTPATIENT CARE

Name of the organization ST. LUKE'S WARREN HOSPITAL, INC.	Employer identification number 22-1494454
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- CARDIOLOGY
- DERMATOLOGY
- EMERGENCY SERVICES
- ENDOCRINOLOGY
- GASTROENTEROLOGY
- INFECTIOUS DISEASE
- INFUSION CENTER
- NEPHROLOGY
- NEUROLOGY/CONCUSSION CENTER
- OB/GYN
- ONCOLOGY/HEMATOLOGY
- OPHTHALMOLOGY
- ORTHOPEDICS
- OTOLARYNGOLOGY/ENT
- PAIN MANAGEMENT
- PALLIATIVE CARE
- PODIATRY
- PULMONOLOGY
- RADIOLOGY (ADVANCED)
- SLEEP DISORDERS
- SPEECH THERAPY
- SPORTS MEDICINE, PHYSICAL AND OCCUPATIONAL THERAPY, REHAB
- SURGERY (GENERAL AND LAPAROSCOPIC)
- SURGICAL ONCOLOGY
- UROLOGY

Name of the organization ST. LUKE'S WARREN HOSPITAL, INC.	Employer identification number 22-1494454
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- VASCULAR
- WEIGHT MANAGEMENT BOTH SURGICAL AND MEDICAL
- WOMEN'S HEALTH
- WOUND MANAGEMENT & HYPERBARIC MEDICINE

THE NETWORK HAS INVESTED APPROXIMATELY \$74.0 MILLION IN TECHNICAL AND FACILITY IMPROVEMENTS AT SL-WARREN SINCE 2012. THIS INCLUDES: \$46.9 MILLION IN FACILITY IMPROVEMENTS AND EXPANSIONS (NEW INTERVENTIONAL RADIOLOGY/CARDIAC CATHETERIZATION LAB, INTENSIVE CARE UNIT, NEW INFUSION CENTER, NEW MEDICAL/SURGICAL UNITS, RENOVATIONS TO OPERATING ROOMS, RENOVATIONS TO EMERGENCY DEPARTMENT, RENOVATIONS TO WOUND CARE, RENOVATIONS TO THE PHARMACY, EXPANSION/RELOCATION OF OUTPATIENT THERAPY, CARDIOVASCULAR EXPANSION, OUTPATIENT RADIOLOGY, OUTPATIENT LAB AND ORTHOPEDIC SERVICES AT WASHINGTON OUTPATIENT CENTER AND HILLCREST PLAZA); \$4.7 MILLION FOR TWO CT SCANNERS, AN MRI, A 3D MAMMOGRAPHY UNIT, AND TWO NUCLEAR IMAGING CAMERAS, ALL OFFERING THE LATEST AVAILABLE GE TECHNOLOGY (\$1.2 MILLION FOR RELATED CONSTRUCTION/RENOVATIONS); \$3.8 MILLION FOR INFORMATION TECHNOLOGY (IT) UPGRADES; \$1.6 MILLION FOR AN EMERGENCY GENERATOR, \$16.8 MILLION IN OTHER FACILITY IMPROVEMENTS AND EQUIPMENT, AND OVER \$290,000 MAKING OUR CAMPUS COVID-19 SAFE FOR OUR PATIENTS AND EMPLOYEES BY CONVERTING MED SURG UNITS, INTENSIVE CARE AND ED ROOMS TO TRUE ISOLATION AND INSTALLING PLEXI BARRIERS THROUGHOUT CAMPUS.

THE HOSPITAL HAS SIGNIFICANTLY EXPANDED MEDICAL EXPERTISE THROUGH THE ADDITION OF THE FOLLOWING SERVICES:

Name of the organization ST. LUKE'S WARREN HOSPITAL, INC.	Employer identification number 22-1494454
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- DIRECT ACCESS TO GYNECOLOGIC ONCOLOGISTS, ONCOLOGY CARE AND SURGERY.
- DIRECT ACCESS TO COLORECTAL SURGEONS.
- DIRECT ACCESS TO SUB-SPECIALTY NEUROLOGISTS.
- DIRECT ACCESS TO A HIGHLY TRAINED CARDIAC TEAM WHICH INCLUDES EXPERIENCED AND SKILLED CARDIOLOGISTS, CARDIAC AND VASCULAR SURGEONS, INTERVENTIONAL RADIOLOGISTS AND ELECTROPHYSIOLOGISTS.

CORE FORM, PART III, STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS

RECOGNITION

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- LEAPFROG PATIENT SAFETY GRADE - A FOR SPRING 2020
- CMS STAR RATING - FOUR STARS FOR QUALITY/PATIENT SAFETY AND THREE STARS FOR PATIENT EXPERIENCE
- NJ HOSPITAL ASSOCIATION - WINNER OF "EXCELLENCE IN QUALITY IMPROVEMENT AWARD" FOR 'STOMPING OUT SPORES' (THIRD AWARD IN EIGHT YEARS)
- U.S. NEWS AND WORLD REPORT - HIGH PERFORMER IN THE SPECIALTY CARE AREAS OF GERIATRICS, NEPHROLOGY, AND PULMONOLOGY AND CONGESTIVE HEART FAILURE CARE.
- STROKE CARE - GWTG-STROKE GOLD PLUS & TARGET: STROKE ELITE PLUS HONOR ROLL AWARD (SECOND CONSECUTIVE YEAR)

GROWTH

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Name of the organization ST. LUKE'S WARREN HOSPITAL, INC.	Employer identification number 22-1494454
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- SL-WARREN OPENED ST. LUKE'S DERMATOLOGY ASSOCIATES-WASHINGTON.
- SL-WARREN ACQUIRED ST. LUKE'S PSYCHIATRIC ASSOCIATES - PHILLIPSBURG TO ENHANCE OUR BEHAVIORAL HEALTH.

RWJBARNABAS HEALTH COLLABORATION

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ALSO, THIS YEAR, ST. LUKE'S WARREN CAMPUS AND RWJBARNABAS HEALTH CONTINUED DISCUSSIONS TO IDENTIFY AND REDUCE HEALTH DISPARITIES IN NORTHWEST NJ, SHARE SUCCESSES LEARNED DURING THE PANDEMIC AND TO COLLABORATE IN ACADEMIC & CLINICAL RESEARCH ENDEAVORS.

COMMUNITY OUTREACH

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IN KEEPING WITH ITS COMMITMENT TO THE COMMUNITIES IT SERVICES, SL-WARREN ANNUALLY REACHES MORE THAN 10,000 PEOPLE THROUGH ITS COMMUNITY OUTREACH ENDEAVORS. THE HOSPITAL OFFERS A VARIETY OF FREE SCREENINGS AND SERVICES FOR COMMUNITY-RUN EVENTS THROUGHOUT THE YEAR. COMMUNITY OUTREACH INCLUDES, BUT IS NOT LIMITED TO, THE FOLLOWING:

- EDUCATION: UTILIZED NUMEROUS MEDIA OUTLETS INCLUDING OUR HOSPITAL LOBBY TO EDUCATE THE COMMUNITY ABOUT DIVERSE HEALTH ISSUES THAT MAY IMPACT THEM INCLUDING: SPECIFIC HEALTHCARE NEEDS OF MILITARY VETERANS AND GUIDANCE

Name of the organization ST. LUKE'S WARREN HOSPITAL, INC.	Employer identification number 22-1494454
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FOR PREPARING ADVANCE DIRECTIVES. ATTENDANCE ESTIMATED AT 120.

- STUDENT ATHLETES: PROVIDED FREE TRAINING ON IDENTIFYING AND TREATING CONCUSSION TO ALL AREA HIGH SCHOOL COACHES. PERFORMED BASELINE IMPACT STUDIES FOR CONCUSSION ON SCHOOL ATHLETES IN ALL AREA HIGH SCHOOLS - TOTAL ATHLETES TESTED WERE MORE THAN 800.

- PHYSICIAN TALKS: PROVIDED TWO PHYSICIAN TALKS TO THE COMMUNITY ON ORTHOPEDICS AND JOINT REPLACEMENT - TOTAL INDIVIDUALS REACHED IS ESTIMATED AT 90.

- SUPPORT GROUPS: SPONSORED SUPPORT GROUPS HOSTED AT SL-WARREN FOR DIABETES, CHRONIC PAIN, GRIEF, DEPRESSION/BIPOLAR, HEROIN, LGBT (LESBIAN, GAY, BISEXUAL, TRANSGENDER) SUPPORT, HEALTHY AGING AND A CAREGIVER SUPPORT GROUP

- TOTAL ESTIMATED INDIVIDUALS INVOLVED WERE ESTIMATED AT 150.

- HEALTH SCREENINGS AT THE HOSPITAL: PROVIDED MONTHLY BLOOD PRESSURE SCREENINGS IN THE HOSPITAL LOBBY.

- EXERCISE & FITNESS: OFFERED FREE, TWICE-WEEKLY OSTEOPOROSIS EXERCISE CLASSES AT THE FITNESS & SPORTS PERFORMANCE CENTER.

- EMPLOYEE HEALTH: INITIATED A COMMUNITY SUPPORTED AGRICULTURE PROGRAM,

Name of the organization ST. LUKE'S WARREN HOSPITAL, INC.	Employer identification number 22-1494454
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MAKING WEEKLY DELIVERIES OF LOCALLY GROWN ORGANIC VEGETABLES AVAILABLE TO EMPLOYEES AT DISCOUNTED PRICES

- COMMUNITY SENIOR NUTRITION PROGRAM: SERVED 7,443 DISCOUNTED SENIOR MEALS SERVED TO LOCAL RESIDENTS. MEAL OFFERED AT \$3.99 PER MEAL FOR A TOTAL SUBSIDY OF \$29,697.57. THE MEALS ARE OFFERED MONDAY THROUGH FRIDAY AND OFTEN INCLUDE AN EDUCATIONAL SPEAKER.

- EMERGENCY SERVICES SUPPORT (EMS): CONTINUED TO PARTNER WITH OUR LOCAL EMS AGENCIES BY PROVIDING FREE EDUCATION SESSIONS, FREE MEDICAL DIRECTORSHIPS AND FREE MEDICATION REPLACEMENT TO ALL VOLUNTEER EMS AGENCIES WITHIN WARREN COUNTY. IN RESPONSE TO THE OPIOID EPIDEMIC, WARREN HOSPITAL PROVIDED FREE NARCAN TO LOCAL EMS ALONG WITH A FREE REPLACEMENT PROGRAM UPON USAGE OR EXPIRATION. ADDITIONALLY, WARREN HOSPITAL SUPPORTS THE WARREN COUNTY PROSECUTOR'S OFFICE BY PROVIDING FREE EDUCATIONAL AND MEDICAL OVERSIGHT BY WAY OF OUR EMERGENCY DEPARTMENT PHYSICIAN, JACK CHAMBERS, MD. WARREN COUNTY PROSECUTOR'S OFFICE AND LOCAL POLICE REQUIRE ANNUAL TRAINING ON TOURNIQUET AND HEMOSTATIC AGENT USE, WHICH WARREN HOSPITAL PROVIDES AT NO COST.

- BI-MONTHLY EPI-PEN TRAINING AND NARCAN TRAINING: PROVIDED TO LOCAL EMS, AT THEIR RESPECTIVE SITES AT NO COST.

- LARGE EVENT FOR PA AND NJ PARAMEDICS IN JANUARY: PROVIDES EDUCATIONAL EVENT AT NO COST TO PROVIDERS WITH TYPICAL ATTENDANCE OF MORE THAN 100.

Name of the organization ST. LUKE'S WARREN HOSPITAL, INC.	Employer identification number 22-1494454
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PHYSICIANS FROM WARREN HOSPITAL PROVIDE A LARGE AMOUNT OF CONTENT FOR THIS EVENT BY PROVIDING FREE LECTURES FOR EMS CONTINUING EDUCATION.

- DRUG TAKE BACK DAY: PARTICIPATED IN THE NETWORK DRUG TAKEBACK DAY WHERE OVER 83.6 POUNDS OF PRESCRIPTION DRUGS WERE COLLECTED IN ONLY FOUR

- WALK WITH A DOC: OFFERED WALKS. RESIDENT DOCTORS OF COVENTRY PRACTICE WALKED WITH THE FIRTH YOUTH CENTER STUDENTS.

CORE FORM, PART III, STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS

COMMUNITY INVOLVEMENT

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THE HOSPITAL PURSUES EXPANDED RELATIONSHIPS AND HEALTH IMPROVEMENT ADVOCACY WITH THE COMMUNITIES IT SERVES THROUGH VARIOUS COALITION-BUILDING ACTIVITIES, INCLUDING, BUT NOT LIMITED TO, THE FOLLOWING:

HOSPITAL MANAGERS SERVE ON VARIOUS COMMUNITY BOARDS AND PANELS AND, IN THIS WAY, COLLECTIVELY VOLUNTEER A MINIMUM OF 40 HOURS A MONTH TO VARIOUS INITIATIVES INCLUDING:

- ABILITIES
- ARC OF WARREN COUNTY
- AFFILIATION OVERSIGHT COMMITTEE WITH FAMILY GUIDANCE CENTER

Name of the organization ST. LUKE'S WARREN HOSPITAL, INC.	Employer identification number 22-1494454
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- COMMUNITY HEALTH FORUM
- DASACC (DOMESTIC ASSAULT & SEXUAL ABUSE CRISIS CENTER) BOARD OF DIRECTORS
- EARLY CHILDHOOD ADVISORY COUNCIL
- LOCAL ADVISORY COUNCIL ON ALCOHOL AND DRUG ABUSE
- MENTAL HEALTH BOARD
- MINSI TRAILS BOY SCOUT COUNCIL
- PHILLIPSBURG AREA CHAMBER OF COMMERCE
- PHILLIPSBURG ROTARY CLUB
- PROFESSIONAL ADVISORY COUNCIL ON MENTAL HEALTH
- SYSTEM REVIEW COMMITTEE FOR MENTAL HEALTH
- WARREN COUNTY SUBSTANCE PREVENTION COALITION
- WARREN COUNTY BOARD OF HEALTH COMMUNITY COALITION (CHIC)

OTHER PARTNERSHIPS THAT INVOLVE EMPLOYEE TIME DURING THE WORKDAY AND BEYOND INCLUDE:

- UNITED WAY OF NORTHERN NEW JERSEY
- EXPLORER POST THROUGH THE MINSI TRAILS COUNCIL OF THE BOY SCOUTS
- PHILLIPSBURG SCHOOL DISTRICT'S EDUCATION FOUNDATION
- BIG BROTHERS/BIG SISTERS OF NORTHERN NEW JERSEY
- AMERICAN CANCER SOCIETY
- UNITED WAY CAREGIVER COALITION
- PHILLIPSBURG WALTERS PARK COMMUNITY POOL

Name of the organization ST. LUKE'S WARREN HOSPITAL, INC.	Employer identification number 22-1494454
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HOSPITAL EMPLOYEES SUPPORTED COMMUNITY NON-PROFIT INITIATIVES INCLUDING:

- ABILITIES
- AMERICAN HEART ASSOCIATION (CPR COMMUNITY INSTRUCTORS)
- UNITED WAY
- RELAY FOR LIFE
- SALVATION ARMY
- ANGEL TREE PROGRAM
- BIG BROTHERS/BIG SISTERS OF HUNTERDON, SOMERSET & WARREN
- NORWESCAP FOOD BANK

MORE THAN 40 EMPLOYEES AND PHYSICIANS SUPPORTED THE MILLER-KEYSTONE BLOOD CENTER DRIVES AT SL-WARREN, WHICH ARE HELD THREE TIMES EACH YEAR.

VOLUNTEERS

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IN FY'20, 170 ST. LUKE'S WARREN CAMPUS VOLUNTEERS PROVIDED MORE THAN 19,781 VOLUNTEER HOURS.

COVID-19 PANDEMIC

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THE COVID-19 PANDEMIC HAS HAD A TREMENDOUS IMPACT ON SLUHN, ITS HOSPITALS, OUTPATIENT LOCATIONS - AND MOST IMPORTANTLY PATIENTS AND

Name of the organization ST. LUKE'S WARREN HOSPITAL, INC.	Employer identification number 22-1494454
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STAFF. THE ST. LUKE'S TEAM HAS PULLED TOGETHER TO MEET THESE CHALLENGES AND TO CONTINUALLY IMPROVE UNDERSTANDING OF THE DISEASE AND HOW TO TREAT IT. THIS HAS YIELDED CLINICAL PROTOCOLS THAT HAVE EFFECTIVELY REDUCED THE LENGTH OF STAY AND IMPROVED OUTCOMES FOR COVID PATIENTS.

MEANWHILE, SLUHN IS IN CONSTANT CONTACT WITH THE CENTERS FOR DISEASE CONTROL AND PREVENTION (CDC) AND STATE AND LOCAL HEALTH DEPARTMENTS IN PENNSYLVANIA AND NEW JERSEY FOR THE LATEST INFORMATION. SLUHN HAS ADOPTED AN EMERGENCY PLAN IN CASE OF A COVID-19 OUTBREAK. SLUHN HAS EXCELLENT RELATIONSHIPS WITH KEY HEALTHCARE AND PUBLIC HEALTH PARTNERS IN THE COMMUNITIES IT SERVES AND HAS AN EXTENSIVE EMERGENCY CONTACT LIST OF KEY PARTNERS THAT IS ACCESSIBLE IN MISSION CRITICAL LOCATIONS.

THROUGHOUT THE PANDEMIC, SLUHN AND ITS HOSPITALS HAVE BEEN LEADERS IN TREATING COVID PATIENTS BY:

- ESTABLISHING ONE OF PENNSYLVANIA'S FIRST OUTPATIENT COVID-19 TREATMENT PROGRAMS - A MONOCLONAL ANTIBODY INFUSION CENTER AT ST. LUKE'S EASTON CAMPUS. THE SERVICE OFFERS PATIENTS BAMLANIVIMAB, AN EXPERIMENTAL DRUG DEVELOPED BY ELI LILLY, ENABLING CERTAIN HIGH-RISK PATIENTS TO RECOVER IN THE COMFORT OF THEIR HOMES, THEREBY PREVENTING SLUHN HOSPITALS FROM BEING OVERWHELMED DURING A SURGE. A SECOND INFUSION CENTER OPENED AT ST. LUKE'S WARREN CAMPUS.
- BECOMING ONE OF THE FIRST HEALTH SYSTEMS WORLDWIDE TO USE MASIMO SAFETYNET, A CLOUD-BASED PATIENT MANAGEMENT PLATFORM, TO HELP CLINICIANS

Name of the organization ST. LUKE'S WARREN HOSPITAL, INC.	Employer identification number 22-1494454
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CARE FOR PATIENTS REMOTELY. THE PLATFORM UTILIZES A WIRELESS SENSOR TO MONITOR PATIENTS' VITAL SIGNS AND PROVIDE DOCTORS WITH CLINICAL DATA TO INFORM TREATMENT DECISIONS SUCH AS WHEN TO USE A VENTILATOR.

- PARTNERING WITH MICROSOFT TO STREAMLINE WORKFLOW ENHANCING EFFICIENCY AND HEALTHCARE DELIVERY TO PATIENTS. THE TELEHEALTH FUNCTION OF MICROSOFT TEAMS HAS ALSO FACILITATED PERSONAL AND SAFE INTERACTIONS BETWEEN DOCTORS AND PATIENTS IN THE HOSPITAL SETTING USING DIGITAL TABLETS. THIS "VIRTUAL ROUNDING" REDUCES PROVIDER AND STAFF EXPOSURE TO THE VIRUS, LIMITS UNNEEDED USE OF PPE AND ALLOWS FAMILY MEMBERS TO 'VISIT' HOSPITALIZED LOVED ONES WITHOUT RISKING CONTAMINATION.

REDUCED POTENTIAL EXPOSURE TO COVID-19 BY:

- IMPROVING ITS CAPACITY TO PROVIDE VIRTUAL VISITS THROUGH PROVIDER AND PATIENT EDUCATION.

- LEVERAGING WORK FROM HOME CAPABILITIES.

INCREASED AVAILABILITY OF PERSONAL PROTECTIVE EQUIPMENT (PPE) BY:

- PARTNERING AS AN INVESTOR-OWNER WITH PREMIER, INC. TO BETTER ACCESS TO PPE.

- PARTNERING WITH LEHIGH UNIVERSITY TO EXTEND THE USE OF EXISTING PPE BY USING A HIGH-THROUGHPUT UV STERILIZATION SYSTEM TO DECONTAMINATE 200 N95 MASKS.

- THE SYSTEM USES ULTRAVIOLET LIGHT TO CAUSE CHANGES IN THE DNA AND RNA

Name of the organization ST. LUKE'S WARREN HOSPITAL, INC.	Employer identification number 22-1494454
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OF VIRUSES AND OTHER PATHOGENS, INCLUDING THE CORONAVIRUS, EFFECTIVELY DEACTIVATING THEM.

- DEVELOPING 3D MODELING CAPABILITY SENT TO A 3D PRINTER TO CREATE CUSTOM N95 RESPIRATOR MASKS, REGULAR MASKS, STETHOSCOPES, AND FACE SHIELDS FOR FRONT-LINE EMPLOYEES.

EDUCATED STAFF AND THE PUBLIC ABOUT COVID BY:

- DEVELOPING INTERNAL AND EXTERNAL WEBSITES TO KEEP EMPLOYEES AND THE PUBLIC AT LARGE UP TO DATE ON INFORMATION RELATED TO COVID AND VACCINES.  
- DEPLOYING HEALTH, WELLNESS AND SAFETY MESSAGING THROUGH ALL PAID MEDIA OUTLETS AND SOCIAL MEDIA.

ADDRESSED COMMUNITY NEEDS BY:

- ENGAGING ST. LUKE'S COMMUNITY HEALTH AND PREVENTIVE MEDICINE DEPARTMENT (CHPM), THE PARISH NURSE TEAM AND OTHER SLUHN REPRESENTATIVES TO WORK CLOSELY WITH REPRESENTATIVES OF LEHIGH AND NORTHAMPTON COUNTIES, ALLENTOWN AND BETHLEHEM CITIES, MEALS ON WHEELS AND OTHER HEALTH PROVIDERS AND COMMUNITY ORGANIZATIONS TO DESIGN AND IMPLEMENT A PROCESS TO HOUSE COVID-POSITIVE PATIENTS WHO WERE HOMELESS, MONITOR THEM AND PROVIDE THEM FOOD.  
- CONTINUING TO USE SLUHN'S MOBILE YOUTH HEALTH TEAM TO SERVE STUDENTS AND FAMILIES DURING COVID, INCLUDING CONNECTING FAMILIES TO HEALTH INSURANCE AND VISION CARE.

Name of the organization ST. LUKE'S WARREN HOSPITAL, INC.	Employer identification number 22-1494454
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- CONNECTING CHPM AND HOSPITAL REPRESENTATIVES WITH SCHOOL OFFICIALS TO PROVIDE STUDENTS WITH MEALS AND ADDITIONAL FOOD EVEN WHEN THE SCHOOLS WERE CLOSED.

CORE FORM, PART III; QUESTION 4D

EXPENSES INCURRED IN PROVIDING VARIOUS OTHER MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS IN A NON-DISCRIMINATORY MANNER REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN OR ABILITY TO PAY. PLEASE REFER TO THE ORGANIZATION'S COMMUNITY BENEFIT STATEMENT INCLUDED IN SCHEDULE O.

CORE FORM, PART V; QUESTION 1A & CORE FORM, PART VII; SECTION B

THE ORGANIZATION IS AN AFFILIATE WITHIN ST. LUKE'S UNIVERSITY HEALTH NETWORK ("NETWORK"); A TAX-EXEMPT INTEGRATED HEALTHCARE DELIVERY NETWORK. THE ORGANIZATION'S FORM 990 REFLECTS NO TOP FIVE INDEPENDENT CONTRACTORS FOR SERVICES AND REPORTS THAT NO FORMS 1099 WERE FILED WITH THE INTERNAL REVENUE SERVICE ("IRS"). ST. LUKE'S HOSPITAL OF BETHLEHEM, PENNSYLVANIA, A RELATED INTERNAL REVENUE CODE SECTION 501(C)(3) TAX-EXEMPT ORGANIZATION PAYS ALL OUTSTANDING ACCOUNTS PAYABLE INVOICES ON BEHALF OF THIS ORGANIZATION. IN CONJUNCTION WITH THIS SERVICE, ST. LUKE'S HOSPITAL OF BETHLEHEM, PENNSYLVANIA ALSO PREPARES AND ISSUES FORMS 1099 TO THESE VENDORS RECEIVING PAYMENTS WHERE APPLICABLE AND FILES THESE FORMS 1099 WITH THE IRS. ST. LUKE'S HOSPITAL OF BETHLEHEM, PENNSYLVANIA ALLOCATES THESE PAYMENTS TO THE ORGANIZATION VIA AN INTERCOMPANY ACCOUNT.

Name of the organization ST. LUKE'S WARREN HOSPITAL, INC.	Employer identification number 22-1494454
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CORE FORM, PART VI, QUESTION 3; PART VII AND SCHEDULE J

THE ORGANIZATION IS AN AFFILIATE WITHIN ST. LUKE'S UNIVERSITY HEALTH NETWORK ("NETWORK"); A TAX-EXEMPT INTEGRATED HEALTHCARE DELIVERY NETWORK. ST. LUKE'S HEALTH NETWORK, INC. IS THE TAX-EXEMPT PARENT ENTITY OF THE NETWORK. THIS ORGANIZATION OUTSOURCED ALL OF ITS FINANCE FUNCTIONS INCLUDING BUT NOT LIMITED TO, ACCOUNTING, FINANCE, PAYROLL, ACCOUNTS PAYABLE AND TAX, TO ST. LUKE'S HEALTH NETWORK, INC.; A RELATED INTERNAL REVENUE CODE SECTION 501(C)(3) TAX-EXEMPT ORGANIZATION. THOMAS P. LICHTENWALNER IS THE SENIOR VICE PRESIDENT OF FINANCE/CHIEF FINANCIAL OFFICER OF THE NETWORK. MR. LICHTENWALNER RECEIVES A FEDERAL FORM W-2 FROM ST. LUKE'S HOSPITAL OF BETHLEHEM PENNSYLVANIA, A RELATED INTERNAL REVENUE CODE SECTION 501(C)(3) TAX-EXEMPT ORGANIZATION. HOWEVER, HIS COMMON LAW EMPLOYER/EMPLOYEE RELATIONSHIP IS WITH ST. LUKE'S HEALTH NETWORK, INC. MR. LICHTENWALNER'S REPORTABLE COMPENSATION, RETIREMENT/OTHER DEFERRED COMPENSATION AND NON-TAXABLE BENEFITS ARE REPORTED WITHIN CORE FORM, PART VII AND SCHEDULE J OF THE ST. LUKE'S HEALTH NETWORK, INC. (EIN: 23-2384282) FEDERAL FORM 990. PLEASE REFER TO THE ST. LUKE'S HEALTH NETWORK, INC. FORM 990 FOR THIS INFORMATION.

CORE FORM, PART VI, SECTION A; QUESTIONS 6 & 7

ST. LUKE'S HEALTH NETWORK, INC. IS THE SOLE MEMBER OF THIS ORGANIZATION. ST. LUKE'S HEALTH NETWORK, INC. HAS THE RIGHT TO ELECT THE MEMBERS OF THIS ORGANIZATION'S BOARD OF TRUSTEES AND HAS CERTAIN RESERVED POWERS AS DEFINED IN THIS ORGANIZATION'S BYLAWS.

Name of the organization ST. LUKE'S WARREN HOSPITAL, INC.	Employer identification number 22-1494454
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CORE FORM, PART VI, SECTION B; QUESTION 11B

THE ORGANIZATION IS AN AFFILIATE WITHIN ST. LUKE'S UNIVERSITY HEALTH NETWORK ("NETWORK"); A TAX-EXEMPT INTEGRATED HEALTHCARE DELIVERY NETWORK. ST. LUKE'S HEALTH NETWORK, INC. IS THE TAX-EXEMPT PARENT ENTITY OF THE NETWORK. THE ORGANIZATION'S FEDERAL FORM 990 WAS PROVIDED TO EACH VOTING MEMBER OF THE ORGANIZATION'S GOVERNING BODY (ITS BOARD OF TRUSTEES) PRIOR TO THE FILING WITH THE INTERNAL REVENUE SERVICE ("IRS"). IN ADDITION, THE ST. LUKE'S UNIVERSITY HEALTH NETWORK FINANCE COMMITTEE WAS UPDATED AS TO THIS ORGANIZATION'S CURRENT YEAR FORM 990 PRIOR TO FILING. ST. LUKE'S HEALTH NETWORK, INC. BOARD OF TRUSTEES HAS DELEGATED TO THE FINANCE COMMITTEE THE RESPONSIBILITY TO OVERSEE AND COORDINATE THE FEDERAL FORM 990 PREPARATION AND FILING PROCESS FOR THE TAX-EXEMPT AFFILIATES OF THE NETWORK.

AS PART OF THE ORGANIZATION'S FEDERAL FORM 990 TAX RETURN PREPARATION PROCESS THE ORGANIZATION HIRED A PROFESSIONAL CERTIFIED PUBLIC ACCOUNTING ("CPA") FIRM WITH EXPERIENCE AND EXPERTISE IN BOTH HEALTHCARE AND NOT-FOR-PROFIT TAX RETURN PREPARATION TO PREPARE THE FEDERAL FORM 990. THE CPA FIRM'S TAX PROFESSIONALS WORKED CLOSELY WITH THE NETWORK'S FINANCE PERSONNEL, INCLUDING ITS SENIOR VICE PRESIDENT OF FINANCE, VICE PRESIDENT OF FINANCE, DIRECTOR OF ACCOUNTING AND VARIOUS OTHER NETWORK INDIVIDUALS ("INTERNAL WORKING GROUP") TO OBTAIN THE INFORMATION NEEDED IN ORDER TO PREPARE A COMPLETE AND ACCURATE TAX RETURN.

THE CPA FIRM PREPARED A DRAFT FEDERAL FORM 990 AND FURNISHED IT TO THE

Name of the organization ST. LUKE'S WARREN HOSPITAL, INC.	Employer identification number 22-1494454
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NETWORK'S INTERNAL WORKING GROUP FOR THEIR REVIEW. THE NETWORK'S INTERNAL WORKING GROUP REVIEWED THE DRAFT FEDERAL FORM 990 AND DISCUSSED QUESTIONS AND COMMENTS WITH THE CPA FIRM. REVISIONS WERE MADE TO THE DRAFT FEDERAL FORM 990 WHERE NECESSARY AND A FINAL DRAFT WAS FURNISHED BY THE CPA FIRM TO THE NETWORK'S INTERNAL WORKING GROUP FOR FINAL REVIEW AND APPROVAL PRIOR TO PRESENTATION OF THE FEDERAL FORM 990 TO THE MEMBERS OF THE ST. LUKE'S HEALTH NETWORK, INC. FINANCE COMMITTEE. THEREAFTER, THE FINAL FEDERAL FORM 990 WAS PROVIDED TO EACH VOTING MEMBER OF THE ORGANIZATION'S GOVERNING BODY PRIOR TO FILING WITH THE IRS.

CORE FORM, PART VI, SECTION B; QUESTION 12

THE ORGANIZATION IS AN AFFILIATE WITHIN ST. LUKE'S UNIVERSITY HEALTH NETWORK ("NETWORK"); A TAX-EXEMPT INTEGRATED HEALTHCARE DELIVERY NETWORK. ST. LUKE'S HEALTH NETWORK, INC. IS THE TAX-EXEMPT PARENT ENTITY OF THE NETWORK. THE NETWORK HAS A WRITTEN CONFLICT OF INTEREST POLICY AND REGULARLY MONITORS AND ENFORCES COMPLIANCE WITH THAT POLICY. THE POLICY REQUIRES THAT A CONFLICT OF INTEREST DISCLOSURE FORM CONSISTENT WITH BEST GOVERNANCE PRACTICES AND INTERNAL REVENUE SERVICE GUIDELINES BE CIRCULATED TO OFFICERS, TRUSTEES, BOARD COMMITTEE MEMBERS AND SENIOR MANAGEMENT ANNUALLY. THE NETWORK'S COMPLIANCE DEPARTMENT, INCLUDING ITS CORPORATE COMPLIANCE OFFICER AND SENIOR VICE PRESIDENT/GENERAL COUNSEL, ASSUME RESPONSIBILITY FOR THE COMPLETION OF THE CONFLICT OF INTEREST QUESTIONNAIRES AND ENFORCEMENT WITH THE POLICY. IF A TRUSTEE DISCLOSES AN INTEREST THAT COULD GIVE RISE TO A CONFLICT, THE TRUSTEE'S POTENTIAL CONFLICT MAY BE DISCLOSED TO THE ORGANIZATION'S GOVERNING BODY, WHICH

Name of the organization ST. LUKE'S WARREN HOSPITAL, INC.	Employer identification number 22-1494454
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EVALUATES THE CONFLICT AND ITS POTENTIAL IMPACT ON THE TRUSTEE'S PARTICIPATION ON THE BOARD. AFTER CONSULTATION AND DISCUSSION THE BOARD OF TRUSTEES MAY TAKE ACTION, IF APPROPRIATE AND NECESSARY, TO ADDRESS ANY SUCH CONFLICT IN A MANNER CONSISTENT WITH THE NETWORK'S CONFLICT OF INTEREST POLICY.

CORE FORM, PART VI, SECTION B; QUESTION 15

THE ORGANIZATION IS AN AFFILIATE WITHIN ST. LUKE'S UNIVERSITY HEALTH NETWORK ("NETWORK"); A TAX-EXEMPT INTEGRATED HEALTHCARE DELIVERY NETWORK. ST. LUKE'S HEALTH NETWORK, INC. IS THE TAX-EXEMPT PARENT ENTITY OF THE NETWORK.

#### COMPENSATION REVIEW

EXECUTIVE COMPENSATION FOR THE NETWORK CONSISTS OF FIXED SALARY, AT-RISK COMPENSATION AND OTHER DEFERRED COMPENSATION ARRANGEMENTS. TOTAL COMPENSATION FOR NETWORK EXECUTIVES IS APPROVED ANNUALLY BY THE NETWORK'S BOARD OF TRUSTEES. THE RECOMMENDED COMPENSATION IS ESTABLISHED THROUGH A MULTI-FACETED APPROACH INCLUDING USE OF AN INDEPENDENT CONSULTANT ENGAGED ON AN ONGOING BASIS BY THE BOARD OF TRUSTEES AND WHO WORKS DIRECTLY WITH THE EXECUTIVE COMPENSATION COMMITTEE OF THE BOARD. ALSO INCLUDED IS THE REVIEW OF FORMS 990 AND COMPENSATION SURVEYS OF OTHER COMPARABLE HEALTHCARE ORGANIZATIONS. PLEASE REFER TO THE SCHEDULE J, PART III RESPONSE TO SCHEDULE J, PART I, QUESTION 3 FOR ADDITIONAL INFORMATION.

Name of the organization ST. LUKE'S WARREN HOSPITAL, INC.	Employer identification number 22-1494454
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CORE FORM, PART VI, SECTION C; QUESTION 19

THE NETWORK HAS ISSUED TAX-EXEMPT BONDS TO FINANCE VARIOUS CAPITAL IMPROVEMENT PROJECTS, RENOVATIONS AND EQUIPMENT. IN CONJUNCTION WITH THE ISSUANCE OF THESE TAX-EXEMPT BONDS, THE ORGANIZATION'S FINANCIAL STATEMENTS WERE INCLUDED WITH THE TAX-EXEMPT BOND PROSPECTUS WHICH WAS MADE AVAILABLE TO THE GENERAL PUBLIC FOR REVIEW. THE ORGANIZATION'S FILED CERTIFICATE OF INCORPORATION AND ANY AMENDMENTS CAN BE OBTAINED AND REVIEWED THROUGH THE NEW JERSEY DEPARTMENT OF TREASURY.

CORE FORM, PART VII AND SCHEDULE J

CORE FORM, PART VII AND SCHEDULE J REFLECT CERTAIN BOARD MEMBERS AND OFFICERS RECEIVING COMPENSATION AND BENEFITS FROM RELATED ORGANIZATIONS. PLEASE NOTE THIS REMUNERATION WAS FOR SERVICES RENDERED AS FULL-TIME EMPLOYEES OF THIS ORGANIZATION OR A RELATED ORGANIZATION AND NOT FOR SERVICES RENDERED AS A VOTING MEMBER OR OFFICER OF THIS ORGANIZATION'S BOARD OF TRUSTEES.

CORE FORM, PART VII AND SCHEDULE J

THE ORGANIZATION IS AN AFFILIATE WITHIN ST. LUKE'S UNIVERSITY HEALTH NETWORK ("NETWORK"); A TAX-EXEMPT INTEGRATED HEALTHCARE DELIVERY NETWORK. ST. LUKE'S HEALTH NETWORK, INC. IS THE TAX-EXEMPT PARENT ENTITY OF THE NETWORK.

Name of the organization ST. LUKE'S WARREN HOSPITAL, INC.	Employer identification number 22-1494454
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ROBERT E. MARTIN IS A VOTING MEMBER OF THIS ORGANIZATION'S BOARD OF TRUSTEES; AN UNCOMPENSATION POSITION. MR. MARTIN IS THE SENIOR VICE PRESIDENT, CHIEF STRATEGY OFFICER OF THE NETWORK AND RECEIVES A FEDERAL FORM W-2 FROM ST. LUKE'S HOSPITAL OF BETHLEHEM PENNSYLVANIA; A RELATED INTERNAL REVENUE CODE SECTION 501(C)(3) TAX-EXEMPT ORGANIZATION. MR. MARTIN'S REPORTABLE COMPENSATION, RETIREMENT/OTHER DEFERRED COMPENSATION AND NON-TAXABLE BENEFITS ARE REPORTED WITHIN CORE FORM, PART VII AND SCHEDULE J OF THE ST. LUKE'S HEALTH NETWORK, INC. (EIN: 23-2384282) FEDERAL FORM 990. HIS RESPECTIVE COMMON LAW EMPLOYER/EMPLOYEE RELATIONSHIP IS WITH ST. LUKE'S HEALTH NETWORK, INC. PLEASE REFER TO THE ST. LUKE'S HEALTH NETWORK, INC. FORM 990 FOR THIS INFORMATION.

CORE FORM, PART VII AND SCHEDULE J

THOMAS P. LICHTENWALNER IS SHOWN ON THIS FORM 990 BECAUSE HE IS THE TOP FINANCIAL OFFICIAL OF ST. LUKE'S UNIVERSITY HEALTH NETWORK. MR. LICHTENWALNER IS NOT EMPLOYED BY THIS ORGANIZATION; RATHER HE RECEIVES A FORM W-2 FROM ST. LUKE'S HOSPITAL OF BETHLEHEM PENNSYLVANIA; A RELATED INTERNAL REVENUE CODE SECTION 501(C)(3) TAX-EXEMPT HOSPITAL ORGANIZATION. HOWEVER, HIS COMMON LAW EMPLOYER/EMPLOYEE RELATIONSHIP IS WITH ST. LUKE'S HEALTH NETWORK, INC. (EIN: 23-2384282). ACCORDINGLY, ST. LUKE'S HEALTH NETWORK, INC. FILED A 2019 FEDERAL FORM 4720 WHICH INCLUDED A REMITTANCE OF EXCISE TAX RELATED TO MR. LICHTENWALNER IN EXCESS OF \$1M.

CORE FORM, PART VII, SECTION A, COLUMN B

Name of the organization ST. LUKE'S WARREN HOSPITAL, INC.	Employer identification number 22-1494454
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THE ORGANIZATION IS AN AFFILIATE WITHIN ST. LUKE'S UNIVERSITY HEALTH NETWORK ("NETWORK"); A TAX-EXEMPT INTEGRATED HEALTHCARE DELIVERY NETWORK. THE NETWORK INCLUDES BOTH FOR-PROFIT AND NOT FOR-PROFIT ORGANIZATIONS. CERTAIN BOARD OF TRUSTEE MEMBERS AND OFFICERS LISTED ON CORE FORM, PART VII AND SCHEDULE J OF THIS FORM 990 MAY HOLD SIMILAR POSITIONS WITH BOTH THIS ORGANIZATION AND OTHER AFFILIATES WITHIN THE NETWORK. THE HOURS SHOWN ON THIS FORM 990 FOR BOARD MEMBERS WHO RECEIVE NO COMPENSATION FOR SERVICES RENDERED IN A NON-BOARD CAPACITY, REPRESENTS THE ESTIMATED HOURS DEVOTED PER WEEK FOR THIS ORGANIZATION. TO THE EXTENT THESE INDIVIDUALS SERVE AS A MEMBER OF THE GOVERNING BODY OF OTHER RELATED ORGANIZATIONS WITHIN THE NETWORK, THEIR RESPECTIVE HOURS PER WEEK PER ORGANIZATION ARE APPROXIMATELY THE SAME AS REFLECTED ON CORE FORM, PART VII OF THIS FORM 990. THE HOURS REFLECTED ON CORE FORM, PART VII OF THIS FORM 990, FOR INDIVIDUALS WHO RECEIVE COMPENSATION FOR SERVICES RENDERED IN A NON-BOARD CAPACITY, PAID OFFICERS AND KEY EMPLOYEES, REFLECT TOTAL HOURS WORKED PER WEEK ON BEHALF OF THE NETWORK; NOT SOLELY THIS ORGANIZATION.

CORE FORM, PART X

CERTAIN RECLASSIFICATIONS HAVE BEEN MADE TO THE PRIOR YEAR BALANCES PREVIOUSLY REPORTED TO CONFORM TO THE CURRENT YEAR PRESENTATION. THE RESTATEMENT HAD NO EFFECT ON THE ORGANIZATION'S NET ASSETS.

CORE FORM, PART XI; QUESTION 9

OTHER CHANGES IN NET ASSETS OR FUND BALANCES INCLUDE:

Name of the organization ST. LUKE'S WARREN HOSPITAL, INC.	Employer identification number 22-1494454
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- RESTRUCTURING COSTS - (\$20,347);
- PLEDGES RECEIVED - SPECIFIC PURPOSE FUND - (\$8,670);
- NET ASSETS RELEASED FROM RESTRICTION USED FOR OPERATIONS - SPECIFIC PURPOSE FUND - (\$18,799); AND
- ALLOWANCE FOR PLEDGES WRITTEN OFF AND ACTUAL WRITE-OFFS - SPECIFIC PURPOSE FUND - (\$4,439).

CORE FORM, PART XII; QUESTION 2

THE ORGANIZATION IS AN AFFILIATE WITHIN ST. LUKE'S UNIVERSITY HEALTH NETWORK ("NETWORK"); A TAX-EXEMPT INTEGRATED HEALTHCARE DELIVERY NETWORK. ST. LUKE'S HEALTH NETWORK, INC. IS THE TAX-EXEMPT PARENT ENTITY OF THE NETWORK. AN INDEPENDENT CERTIFIED PUBLIC ACCOUNTING ("CPA") FIRM AUDITED THE CONSOLIDATED FINANCIAL STATEMENTS OF THE TAXPAYER AND ITS CONTROLLED AFFILIATES FOR THE YEARS ENDED JUNE 30, 2020 AND JUNE 30, 2019; RESPECTIVELY AND ISSUED A CONSOLIDATED FINANCIAL STATEMENT. AN UNMODIFIED OPINION WAS ISSUED EACH YEAR BY THE INDEPENDENT CPA FIRM. THE NETWORK'S FINANCE COMMITTEE ASSUMES RESPONSIBILITY FOR OVERSIGHT OF THE AUDIT OF THE NETWORK'S CONSOLIDATED FINANCIAL STATEMENTS AND THE SELECTION OF AN INDEPENDENT AUDITOR.

CORE FORM, PART XII; QUESTION 3

THE ORGANIZATION IS AN AFFILIATE WITHIN ST. LUKE'S UNIVERSITY HEALTH NETWORK ("NETWORK"); A TAX-EXEMPT INTEGRATED HEALTHCARE DELIVERY NETWORK.

Name of the organization ST. LUKE'S WARREN HOSPITAL, INC.	Employer identification number 22-1494454
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THE NETWORK'S FINANCE COMMITTEE ENGAGED AN INDEPENDENT ACCOUNTING FIRM TO PREPARE AND ISSUE A NETWORK WIDE CONSOLIDATED AUDIT UNDER THE SINGLE AUDIT ACT AND OMB CIRCULAR A-133.

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ATTACHMENT 1

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FORM 990, PART III, LINE 1 - ORGANIZATION'S MISSION

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THE MISSION OF THE ORGANIZATION IS TO PROVIDE COMPASSIONATE, EXCELLENT QUALITY AND COST EFFECTIVE HEALTHCARE TO THE RESIDENTS OF THE COMMUNITIES WE SERVE REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN OR ABILITY TO PAY.

THE ORGANIZATION IS AN AFFILIATE WITHIN ST. LUKE'S UNIVERSITY HEALTH NETWORK ("NETWORK"); A TAX-EXEMPT INTEGRATED HEALTHCARE DELIVERY NETWORK. ST. LUKE'S HEALTH NETWORK, INC. IS THE TAX-EXEMPT PARENT ENTITY OF THE NETWORK. THE NETWORK HAS AN UNWAVERING COMMITMENT TO EXCELLENCE AS WE CARE FOR THE SICK AND INJURED, EDUCATE PHYSICIANS, NURSES AND OTHER HEALTHCARE PROVIDERS; AND IMPROVE ACCESS TO CARE IN THE COMMUNITIES WE SERVE. PLEASE REFER TO SCHEDULE O FOR THE ORGANIZATION'S COMMUNITY BENEFIT STATEMENT.

**SCHEDULE R  
(Form 990)**

**Related Organizations and Unrelated Partnerships**

OMB No. 1545-0047

**2019**

**Open to Public  
Inspection**

▶ 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.

Department of the Treasury  
Internal Revenue Service

Name of the organization

ST. LUKE'S WARREN HOSPITAL, INC.

Employer identification number

22-1494454

**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
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

**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
(1) ST. LUKE'S HEALTH NETWORK, INC. 1110 ST. LUKE'S WAY ALLENTOWN, PA 18109 23-2384282	HEALTH SVCS.	PA	501(C)(3)	509(A)(3)	N/A		X
(2) ST. LUKE'S HOSPITAL OF BETHLEHEM PA 1110 ST. LUKE'S WAY ALLENTOWN, PA 18109 23-1352213	HEALTH SVCS.	PA	501(C)(3)	HOSPITAL	SLHN		X
(3) ST. LUKE'S HOSPITAL ANDERSON CAMPUS 1110 ST. LUKE'S WAY ALLENTOWN, PA 18109 45-4394739	HEALTH SVCS.	PA	501(C)(3)	HOSPITAL	SLHN		X
(4) ST. LUKE'S HOSPITAL MONROE CAMPUS 1110 ST. LUKE'S WAY ALLENTOWN, PA 18109 46-5143606	HEALTH SVCS.	PA	501(C)(3)	HOSPITAL	SLHN		X
(5) ST. LUKE'S QUAKERTOWN HOSPITAL 1110 ST. LUKE'S WAY ALLENTOWN, PA 18109 23-1352203	HEALTH SVCS.	PA	501(C)(3)	HOSPITAL	SLHN		X
(6) CARBON-SCHUYLKILL COMMUNITY HOSPITAL 1110 ST. LUKE'S WAY ALLENTOWN, PA 18109 25-1550350	HEALTH SVCS.	PA	501(C)(3)	HOSPITAL	SLHN		X
(7) ST. LUKE'S PHYSICIAN GROUP, INC. 1110 ST. LUKE'S WAY ALLENTOWN, PA 18109 23-2380812	HEALTH SVCS.	PA	501(C)(3)	509(A)(3)	SLHN		X

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

Schedule R (Form 990) 2019

**SCHEDULE R  
(Form 990)**

**Related Organizations and Unrelated Partnerships**

OMB No. 1545-0047

**2019**

**Open to Public  
Inspection**

Department of the Treasury  
Internal Revenue Service

▶ **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.**

Name of the organization

ST. LUKE'S WARREN HOSPITAL, INC.

Employer identification number

22-1494454

**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
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

**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
(1) ST. LUKE'S EMERGENCY & TRANSPORT SVCS. 1110 ST. LUKE'S WAY ALLENTOWN, PA 18109 23-2179542	HEALTH SVCS.	PA	501(C)(3)	170B1AIII	SLHN		X
(2) QUAKERTOWN REHABILITATION CENTER 1110 ST. LUKE'S WAY ALLENTOWN, PA 18109 23-2543924	INACTIVE	PA	501(C)(3)	170B1AIII	SLHN		X
(3) HOMESTAR MEDICAL EQUIP & INFUSION SVCS. 1110 ST. LUKE'S WAY ALLENTOWN, PA 18109 23-2418254	INACTIVE	PA	501(C)(3)	509(A)(2)	VNA		X
(4) VNA OF ST. LUKE'S - HOME HEALTH HOSPICE 1110 ST. LUKE'S WAY ALLENTOWN, PA 18109 24-0795497	HEALTH SVCS.	PA	501(C)(3)	509(A)(1)	SLB		X
(5) BLUE MOUNTAIN HOSPITAL, INC. 1110 ST. LUKE'S WAY ALLENTOWN, PA 18109 24-0795436	HEALTH SVCS.	PA	501(C)(3)	HOSPITAL	SLHN		X
(6) CMS MEDICAL CARE CORPORATION 1110 ST. LUKE'S WAY ALLENTOWN, PA 18109 23-2473899	HEALTH SVCS.	PA	501(C)(3)	170B1AIII	SLHN		X
(7) SACRED HEART HEALTHCARE SYSTEM 1110 ST. LUKE'S WAY ALLENTOWN, PA 18109 23-2328297	HEALTH SVCS.	PA	501(C)(3)	509(A)(3)	SLHN		X

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

Schedule R (Form 990) 2019

**SCHEDULE R  
(Form 990)**

**Related Organizations and Unrelated Partnerships**

OMB No. 1545-0047

**2019**

**Open to Public  
Inspection**

▶ 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.

Department of the Treasury  
Internal Revenue Service

Name of the organization

ST. LUKE'S WARREN HOSPITAL, INC.

Employer identification number

22-1494454

**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
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

**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
(1) SACRED HEART HOSPITAL OF ALLENTOWN 1110 ST. LUKE'S WAY ALLENTOWN, PA 18109 23-1352208	HEALTH SVCS.	PA	501(C)(3)	HOSPITAL	SLHN		X
(2) ST. LUKE'S AMBULATORY SERVICES, INC. 1110 ST. LUKE'S WAY ALLENTOWN, PA 18109 83-3200970	HEALTH SVCS.	PA	501(C)(3)	170B1AIII	SLHN		X
(3) ST. LUKE'S HOSPITAL - EASTON CAMPUS 1110 ST. LUKE'S WAY ALLENTOWN, PA 18109 84-4475996	INACTIVE	PA	501(C)(3)	HOSPITAL	SLHN		X
(4)							
(5)							
(6)							
(7)							

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

Schedule R (Form 990) 2019

**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	
(1) SH ASSISTED LIVING 20-0546001 3910 ADLER PLACE BETHLEHEM, PA	MEDICAL	PA	N/A									
(2)												
(3)												
(4)												
(5)												
(6)												
(7)												

**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
(1) ST. LUKE'S HEALTH NETWORK INSURANCE COMP 801 OSTRUM STREET BETHLEHEM, PA 18015	FINANCIAL VEHICLE	VT	N/A	C CORP.					X
(2) ST. LUKE'S PHYSICIAN HOSPITAL ORG., INC. 801 OSTRUM STREET BETHLEHEM, PA 18015	HEALTHCARE SVCS.	PA	N/A	C CORP.					X
(3) HILLCREST EMERGENCY SERVICES, P.C. 185 ROSEBERRY STREET PHILLIPSBURG, NJ 08865	HEALTHCARE SVCS.	NJ	SLWH	C CORP.	4,868,018.	3,443,480.	100.0000	X	
(4) TWO RIVERS ENTERPRISES, INC. 185 ROSEBERRY STREET PHILLIPSBURG, NJ 08865	REAL ESTATE	NJ	N/A	C CORP.					X
(5) ST. LUKE'S WARREN PHYSICIAN GROUP, P.C. 185 ROSEBERRY STREET PHILLIPSBURG, NJ 08865	HEALTHCARE SVCS.	NJ	SLWH	C CORP.	43,278,971.	7,858,589.	100.0000	X	
(6) SACRED HEART ANCILLARY SERVICES, INC. 421 W. CHEW STREET ALLENTOWN, PA 18102	HEALTHCARE SVCS.	PA	N/A	C CORP.					X
(7)									

**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)			
(2)			
(3)			
(4)			
(5)			
(6)			

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

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners section 501(c)(3) organizations?		(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		Yes	No	
(1)													
(2)													
(3)													
(4)													
(5)													
(6)													
(7)													
(8)													
(9)													
(10)													
(11)													
(12)													
(13)													
(14)													
(15)													
(16)													

**Part VII** Supplemental Information

Provide additional information for responses to questions on Schedule R. See instructions.

## SCHEDULE R, PART V

THIS ORGANIZATION IS A MEMBER OF ST. LUKE'S UNIVERSITY HEALTH NETWORK ("NETWORK"); A TAX-EXEMPT INTEGRATED HEALTHCARE DELIVERY SYSTEM. ST. LUKE'S HEALTH NETWORK, INC. IS THE TAX-EXEMPT PARENT ENTITY OF THE NETWORK. FUNDS ARE ROUTINELY TRANSFERRED BETWEEN AFFILIATES AND BUSINESS ACTIVITIES ARE COMMON ON BEHALF OF THE SYSTEM'S AFFILIATES, INCLUDING THIS ORGANIZATION. THESE TRANSACTIONS MAY BE RECORDED ON THE REVENUE/EXPENSE AND BALANCE SHEET STATEMENTS OF THIS ORGANIZATION AND OTHER AFFILIATES. THE ST. LUKE'S UNIVERSITY HEALTH NETWORK ENTITIES WORK TOGETHER TO DELIVER HIGH QUALITY COST EFFECTIVE HEALTHCARE AND WELLNESS SERVICES TO THEIR COMMUNITIES REGARDLESS OF ABILITY TO PAY AND IN FURTHERANCE OF CHARITABLE TAX-EXEMPT PURPOSES.



RENT AND ROYALTY SUMMARY

<u>PROPERTY</u>	<u>TOTAL INCOME</u>	<u>DEPLETION/ DEPRECIATION</u>	<u>OTHER EXPENSES</u>	<u>ALLOWABLE NET INCOME</u>
RENTAL	115,454.			115,454.
TOTALS	<u>115,454.</u>			<u>115,454.</u>

**SCHEDULE D  
(Form 1041)**

Department of the Treasury  
Internal Revenue Service

**Capital Gains and Losses**

▶ Attach to Form 1041, Form 5227, or Form 990-T.  
▶ Use Form 8949 to list your transactions for lines 1b, 2, 3, 8b, 9 and 10.  
▶ Go to [www.irs.gov/F1041](http://www.irs.gov/F1041) for instructions and the latest information.

OMB No. 1545-0092

**2019**

Name of estate or trust

Employer identification number

ST. LUKE'S WARREN HOSPITAL, INC.

22-1494454

Did you dispose of any investment(s) in a qualified opportunity fund during the tax year?  Yes  No

If "Yes," attach Form 8949 and see its instructions for additional requirements for reporting your gain or loss.

**Note:** Form 5227 filers need to complete *only* Parts I and II.

**Part I Short-Term Capital Gains and Losses - Generally Assets Held One Year or Less** (see instructions)

See instructions for how to figure the amounts to enter on the lines below. This form may be easier to complete if you round off cents to whole dollars.	(d) Proceeds (sales price)	(e) Cost (or other basis)	(g) Adjustments to gain or loss from Form(s) 8949, Part I, line 2, column (g)	(h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g)
<b>1a</b> Totals for all short-term transactions reported on Form 1099-B for which basis was reported to the IRS and for which you have no adjustments (see instructions). However, if you choose to report all these transactions on Form 8949, leave this line blank and go to line 1b.				
<b>1b</b> Totals for all transactions reported on Form(s) 8949 with <b>Box A</b> checked.				
<b>2</b> Totals for all transactions reported on Form(s) 8949 with <b>Box B</b> checked.				
<b>3</b> Totals for all transactions reported on Form(s) 8949 with <b>Box C</b> checked.				
<b>4</b> Short-term capital gain or (loss) from Forms 4684, 6252, 6781, and 8824.				<b>4</b>
<b>5</b> Net short-term gain or (loss) from partnerships, S corporations, and other estates or trusts.				<b>5</b>
<b>6</b> Short-term capital loss carryover. Enter the amount, if any, from line 9 of the 2018 Capital Loss Carryover Worksheet.				<b>6</b> ( )
<b>7</b> <b>Net short-term capital gain or (loss).</b> Combine lines 1a through 6 in column (h). Enter here and on line 17, column (3) on the back.				<b>7</b>

**Part II Long-Term Capital Gains and Losses - Generally Assets Held More Than One Year** (see instructions)

See instructions for how to figure the amounts to enter on the lines below. This form may be easier to complete if you round off cents to whole dollars.	(d) Proceeds (sales price)	(e) Cost (or other basis)	(g) Adjustments to gain or loss from Form(s) 8949, Part II, line 2, column (g)	(h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g)
<b>8a</b> Totals for all long-term transactions reported on Form 1099-B for which basis was reported to the IRS and for which you have no adjustments (see instructions). However, if you choose to report all these transactions on Form 8949, leave this line blank and go to line 8b.				
<b>8b</b> Totals for all transactions reported on Form(s) 8949 with <b>Box D</b> checked.		23.		-23.
<b>9</b> Totals for all transactions reported on Form(s) 8949 with <b>Box E</b> checked.				
<b>10</b> Totals for all transactions reported on Form(s) 8949 with <b>Box F</b> checked.				
<b>11</b> Long-term capital gain or (loss) from Forms 2439, 4684, 6252, 6781, and 8824.				<b>11</b>
<b>12</b> Net long-term gain or (loss) from partnerships, S corporations, and other estates or trusts.				<b>12</b>
<b>13</b> Capital gain distributions.				<b>13</b>
<b>14</b> Gain from Form 4797, Part I.				<b>14</b>
<b>15</b> Long-term capital loss carryover. Enter the amount, if any, from line 14 of the 2018 Capital Loss Carryover Worksheet.				<b>15</b> ( )
<b>16</b> <b>Net long-term capital gain or (loss).</b> Combine lines 8a through 15 in column (h). Enter here and on line 18a, column (3) on the back.				<b>16</b>

For Paperwork Reduction Act Notice, see the Instructions for Form 1041.

Schedule D (Form 1041) 2019

<b>Part III Summary of Parts I and II</b> <b>Caution: Read the instructions before completing this part.</b>		(1) Beneficiaries' (see instr.)	(2) Estate's or trust's	(3) Total
<b>17</b>	<b>Net short-term gain or (loss).</b> . . . . .	<b>17</b>		
<b>18</b>	<b>Net long-term gain or (loss):</b>			
a	Total for year . . . . .	<b>18a</b>		
b	Unrecaptured section 1250 gain (see line 18 of the worksheet.) . . . . .	<b>18b</b>		
c	28% rate gain . . . . .	<b>18c</b>		
<b>19</b>	<b>Total net gain or (loss).</b> Combine lines 17 and 18a. . . . . ▶	<b>19</b>		

**Note:** If line 19, column (3), is a net gain, enter the gain on Form 1041, line 4 (or Form 990-T, Part I, line 4a). If lines 18a and 19, column (2), are net gains, go to Part V, and **don't** complete Part IV. If line 19, column (3), is a net loss, complete Part IV and the **Capital Loss Carryover Worksheet**, as necessary.

<b>Part IV Capital Loss Limitation</b>		
<b>20</b>	Enter here and enter as a (loss) on Form 1041, line 4 (or Form 990-T, Part I, line 4c, if a trust), the <b>smaller</b> of: a The loss on line 19, column (3) or b \$3,000 . . . . .	<b>20</b> ( )

**Note:** If the loss on line 19, column (3), is more than \$3,000, or if Form 1041, page 1, line 23 (or Form 990-T, line 39), is a loss, complete the **Capital Loss Carryover Worksheet** in the instructions to figure your capital loss carryover.

**Part V Tax Computation Using Maximum Capital Gains Rates**

**Form 1041 filers.** Complete this part **only** if both lines 18a and 19 in column (2) are gains, or an amount is entered in Part I or Part II and there is an entry on Form 1041, line 2b(2), and Form 1041, line 23, is more than zero.

**Caution:** Skip this part and complete the **Schedule D Tax Worksheet** in the instructions if:

- Either line 18b, col. (2) or line 18c, col. (2) is more than zero, or
- Both Form 1041, line 2b(1), and Form 4952, line 4g are more than zero.

**Form 990-T trusts.** Complete this part **only** if both lines 18a and 19 are gains, or qualified dividends are included in income in Part I of Form 990-T, and Form 990-T, line 39, is more than zero. Skip this part and complete the **Schedule D Tax Worksheet** in the instructions if either line 18b, col. (2) or line 18c, col. (2) is more than zero.

<b>21</b>	Enter taxable income from Form 1041, line 23 (or Form 990-T, line 39). . . . .	<b>21</b>		
<b>22</b>	Enter the <b>smaller</b> of line 18a or 19 in column (2) but not less than zero. . . . .	<b>22</b>		
<b>23</b>	Enter the estate's or trust's qualified dividends from Form 1041, line 2b(2) (or enter the qualified dividends included in income in Part I of Form 990-T) . . . . .	<b>23</b>		
<b>24</b>	Add lines 22 and 23 . . . . .	<b>24</b>		
<b>25</b>	If the estate or trust is filing Form 4952, enter the amount from line 4g; otherwise, enter -0- . . . . . ▶	<b>25</b>		
<b>26</b>	Subtract line 25 from line 24. If zero or less, enter -0- . . . . .	<b>26</b>		
<b>27</b>	Subtract line 26 from line 21. If zero or less, enter -0- . . . . .	<b>27</b>		
<b>28</b>	Enter the <b>smaller</b> of the amount on line 21 or \$2,650 . . . . .	<b>28</b>		
<b>29</b>	Enter the <b>smaller</b> of the amount on line 27 or line 28 . . . . .	<b>29</b>		
<b>30</b>	Subtract line 29 from line 28. If zero or less, enter -0-. This amount is taxed at 0% . . . . . ▶	<b>30</b>		
<b>31</b>	Enter the <b>smaller</b> of line 21 or line 26 . . . . .	<b>31</b>		
<b>32</b>	Subtract line 30 from line 26 . . . . .	<b>32</b>		
<b>33</b>	Enter the <b>smaller</b> of line 21 or \$12,950 . . . . .	<b>33</b>		
<b>34</b>	Add lines 27 and 30 . . . . .	<b>34</b>		
<b>35</b>	Subtract line 34 from line 33. If zero or less, enter -0- . . . . .	<b>35</b>		
<b>36</b>	Enter the <b>smaller</b> of line 32 or line 35 . . . . .	<b>36</b>		
<b>37</b>	Multiply line 36 by 15% (0.15) . . . . . ▶	<b>37</b>		
<b>38</b>	Enter the amount from line 31 . . . . .	<b>38</b>		
<b>39</b>	Add lines 30 and 36 . . . . .	<b>39</b>		
<b>40</b>	Subtract line 39 from line 38. If zero or less, enter -0- . . . . .	<b>40</b>		
<b>41</b>	Multiply line 40 by 20% (0.20) . . . . . ▶	<b>41</b>		
<b>42</b>	Figure the tax on the amount on line 27. Use the 2019 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041) . . . . .	<b>42</b>		
<b>43</b>	Add lines 37, 41, and 42 . . . . .	<b>43</b>		
<b>44</b>	Figure the tax on the amount on line 21. Use the 2019 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041) . . . . .	<b>44</b>		
<b>45</b>	<b>Tax on all taxable income.</b> Enter the <b>smaller</b> of line 43 or line 44 here and on Form 1041, Schedule G, Part I, line 1a (or Form 990-T, line 41) . . . . . ▶	<b>45</b>		

Name(s) shown on return. Name and SSN or taxpayer identification no. not required if shown on other side

**Social security number or taxpayer identification number**

ST. LUKE'S WARREN HOSPITAL, INC.

22-1494454

Before you check Box D, E, or F below, see whether you received any Form(s) 1099-B or substitute statement(s) from your broker. A substitute statement will have the same information as Form 1099-B. Either will show whether your basis (usually your cost) was reported to the IRS by your broker and may even tell you which box to check.

**Part II Long-Term.** Transactions involving capital assets you held more than 1 year are generally long-term (see instructions). For short-term transactions, see page 1.

**Note:** You may aggregate all long-term transactions reported on Form(s) 1099-B showing basis was reported to the IRS and for which no adjustments or codes are required. Enter the totals directly on Schedule D, line 8a; you aren't required to report these transactions on Form 8949 (see instructions).

**You must check Box D, E, or F below. Check only one box.** If more than one box applies for your long-term transactions, complete a separate Form 8949, page 2, for each applicable box. If you have more long-term transactions than will fit on this page for one or more of the boxes, complete as many forms with the same box checked as you need.

- (D)** Long-term transactions reported on Form(s) 1099-B showing basis was reported to the IRS (see **Note** above)
- (E)** Long-term transactions reported on Form(s) 1099-B showing basis **wasn't** reported to the IRS
- (F)** Long-term transactions not reported to you on Form 1099-B

1	(a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold or disposed of (Mo., day, yr.)	(d) Proceeds (sales price) (see instructions)	(e) Cost or other basis. See the <b>Note</b> below and see <i>Column (e)</i> in the separate instructions	Adjustment, if any, to gain or loss. If you enter an amount in column (g), enter a code in column (f). <b>See the separate instructions.</b>		(h) <b>Gain or (loss).</b> Subtract column (e) from column (d) and combine the result with column (g)
						(f) Code(s) from instructions	(g) Amount of adjustment	
	SECURITIES	VARIOUS	VARIOUS		23.			-23.
<b>2 Totals.</b> Add the amounts in columns (d), (e), (g), and (h) (subtract negative amounts). Enter each total here and include on your Schedule D, <b>line 8b</b> (if <b>Box D</b> above is checked), <b>line 9</b> (if <b>Box E</b> above is checked), or <b>line 10</b> (if <b>Box F</b> above is checked) ►					23.			-23.

**Note:** If you checked Box D above but the basis reported to the IRS was incorrect, enter in column (e) the basis as reported to the IRS, and enter an adjustment in column (g) to correct the basis. See *Column (g)* in the separate instructions for how to figure the amount of the adjustment.

Sales of Business Property
(Also Involuntary Conversions and Recapture Amounts
Under Sections 179 and 280F(b)(2))

Department of the Treasury
Internal Revenue Service

Attach to your tax return.

Attachment
Sequence No. 27

Go to www.irs.gov/Form4797 for instructions and the latest information.

Name(s) shown on return: ST. LUKE'S WARREN HOSPITAL, INC.
Identifying number: 22-1494454

1 Enter the gross proceeds from sales or exchanges reported to you for 2019 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20. See instructions. 1

Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft - Most Property Held More Than 1 Year (see instructions)

Table with 7 columns: (a) Description of property, (b) Date acquired, (c) Date sold, (d) Gross sales price, (e) Depreciation allowed or allowable since acquisition, (f) Cost or other basis, plus improvements and expense of sale, (g) Gain or (loss) Subtract (f) from the sum of (d) and (e)

3 Gain, if any, from Form 4684, line 39
4 Section 1231 gain from installment sales from Form 6252, line 26 or 37
5 Section 1231 gain or (loss) from like-kind exchanges from Form 8824
6 Gain, if any, from line 32, from other than casualty or theft
7 Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows

Partnerships and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120-S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below.

Individuals, partners, S corporation shareholders, and all others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you didn't have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below.

8 Nonrecaptured net section 1231 losses from prior years. See instructions.
9 Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return. See instructions

Part II Ordinary Gains and Losses (see instructions)

10 Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less):
ATTACHMENT 1 -475,900.

11 Loss, if any, from line 7
12 Gain, if any, from line 7 or amount from line 8, if applicable.
13 Gain, if any, from line 31
14 Net gain or (loss) from Form 4684, lines 31 and 38a
15 Ordinary gain from installment sales from Form 6252, line 25 or 36
16 Ordinary gain or (loss) from like-kind exchanges from Form 8824
17 Combine lines 10 through 16. -475,900.

18 For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below.
a If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the loss from income-producing property on Schedule A (Form 1040 or Form 1040-SR), line 16. (Do not include any loss on property used as an employee.) Identify as from "Form 4797, line 18a." See instructions
b Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Schedule 1 (Form 1040 or Form 1040-SR), Part I, line 4

For Paperwork Reduction Act Notice, see separate instructions. Form 4797 (2019)

**Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255**  
(see instructions)

19 (a) Description of section 1245, 1250, 1252, 1254, or 1255 property:		(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)		
A					
B					
C					
D					
These columns relate to the properties on lines 19A through 19D. ▶		Property A	Property B	Property C	Property D
20	Gross sales price (Note: See line 1 before completing.)	20			
21	Cost or other basis plus expense of sale . . . . .	21			
22	Depreciation (or depletion) allowed or allowable . . . . .	22			
23	Adjusted basis. Subtract line 22 from line 21 . . . . .	23			
24	Total gain. Subtract line 23 from line 20. . . . .	24			
<b>25 If section 1245 property:</b>					
a	Depreciation allowed or allowable from line 22 . . . . .	25a			
b	Enter the smaller of line 24 or 25a. . . . .	25b			
<b>26 If section 1250 property:</b> If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291.					
a	Additional depreciation after 1975. See instructions . . . . .	26a			
b	Applicable percentage multiplied by the smaller of line 24 or line 26a. See instructions . . . . .	26b			
c	Subtract line 26a from line 24. If residential rental property or line 24 isn't more than line 26a, skip lines 26d and 26e . . . . .	26c			
d	Additional depreciation after 1969 and before 1976 . . . . .	26d			
e	Enter the smaller of line 26c or 26d . . . . .	26e			
f	Section 291 amount (corporations only) . . . . .	26f			
g	Add lines 26b, 26e, and 26f . . . . .	26g			
<b>27 If section 1252 property:</b> Skip this section if you didn't dispose of farmland or if this form is being completed for a partnership.					
a	Soil, water, and land clearing expenses . . . . .	27a			
b	Line 27a multiplied by applicable percentage. See instructions . . . . .	27b			
c	Enter the smaller of line 24 or 27b . . . . .	27c			
<b>28 If section 1254 property:</b>					
a	Intangible drilling and development costs, expenditures for development of mines and other natural deposits, mining exploration costs, and depletion. See instructions . . . . .	28a			
b	Enter the smaller of line 24 or 28a . . . . .	28b			
<b>29 If section 1255 property:</b>					
a	Applicable percentage of payments excluded from income under section 126. See instructions . . . . .	29a			
b	Enter the smaller of line 24 or 29a. See instructions . . . . .	29b			

**Summary of Part III Gains.** Complete property columns A through D through line 29b before going to line 30.

30	Total gains for all properties. Add property columns A through D, line 24 . . . . .	30	
31	Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13 . . . . .	31	
32	Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 33. Enter the portion from other than casualty or theft on Form 4797, line 6 . . . . .	32	

**Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less**  
(see instructions)

		(a) Section 179	(b) Section 280F(b)(2)
33	Section 179 expense deduction or depreciation allowable in prior years . . . . .	33	
34	Recomputed depreciation. See instructions . . . . .	34	
35	Recapture amount. Subtract line 34 from line 33. See the instructions for where to report . . . . .	35	



**St. Luke's Health Network, Inc.  
and Controlled Entities**  
Consolidated Financial Statements  
June 30, 2020 and 2019

# St. Luke's Health Network, Inc. and Controlled Entities

## Index

June 30, 2020 and 2019

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	<b>Page(s)</b>
<b>Report of Independent Auditors</b> .....	1–2
<b>Consolidated Financial Statements</b>	
Balance Sheets .....	3
Statements of Operations .....	4
Statements of Changes in Net Assets .....	5
Statements of Cash Flows .....	6
Notes to Financial Statements .....	7–43



## Report of Independent Auditors

To The Board of Trustees  
St. Luke's Health Network, Inc.

We have audited the accompanying consolidated financial statements of St. Luke's Health Network, Inc. and its controlled entities (collectively, the "Network"), which comprise the consolidated balance sheets as of June 30, 2020 and 2019 and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended.

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

Management is responsible for the preparation and fair presentation of the 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 the 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 our 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, we consider internal control relevant to the Network'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 Network'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 Network, Inc. and its controlled entities as of June 30, 2020 and 2019, and the results of their operations, changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



***Emphasis of Matter***

As discussed in Notes 2 and 15 to the consolidated financial statements, the Network changed the manner in which it accounts for its leases in 2020. Our opinion is not modified with respect to this matter.

*PricewaterhouseCoopers LLP*

Baltimore, Maryland  
October 23, 2020

**St. Luke's Health Network, Inc. and Controlled Entities**  
**Consolidated Balance Sheets**  
**June 30, 2020 and 2019**

	2020	2019
<b>Assets</b>		
Current		
Cash and cash equivalents	\$ 315,796,451	\$ 100,693,579
Patient accounts receivable, net	181,103,651	207,714,461
Other accounts receivable	31,681,446	16,959,148
Investments	163,651,030	197,921,758
Inventories	40,288,793	28,357,607
Prepaid expenses	30,332,997	30,638,215
Total current assets	762,854,368	582,284,768
Noncurrent		
Investments	800,195,107	480,932,484
Property and equipment, net	1,123,980,670	1,097,984,981
Goodwill	81,062,089	80,195,038
Investments in joint ventures	56,021,404	39,214,583
Operating lease right-of-use assets, net	173,941,841	-
Deferred compensation plan assets	43,832,611	38,145,857
Other assets	65,668,596	55,107,779
Total assets	\$ 3,107,556,686	\$ 2,373,865,490
<b>Liabilities and Net Assets</b>		
Current		
Accounts payable	\$ 150,571,155	\$ 139,878,071
Accrued salaries, wages and taxes	161,537,806	93,726,919
Accrued vacation	65,020,041	58,019,960
Current portion of self insurance reserves	34,389,395	28,439,156
Current portion of long-term debt	20,679,552	26,167,269
Current portion of operating lease obligations	26,247,657	-
Current portion of accrued compensation payable	3,940,950	3,210,921
Accrued interest on long-term debt	12,870,443	11,577,899
Estimated third-party payor settlements	35,472,035	13,440,439
Other current liabilities	275,007,133	25,519,381
Total current liabilities	785,736,167	399,980,015
Noncurrent		
Long-term debt, net of current portion	988,937,070	847,962,378
Long-term operating lease obligations	149,666,897	-
Accrued compensation payable	94,582,810	77,062,112
Self insurance reserves	69,820,894	57,740,105
Swap contracts	97,785,332	67,175,340
Asset retirement obligation	3,562,721	3,562,721
Other noncurrent liabilities	33,900,248	27,354,915
Total liabilities	2,223,992,139	1,480,837,586
Net assets		
Net assets without donor restrictions	769,277,232	791,152,854
Net assets with donor restrictions	114,287,315	101,875,050
Total net assets	883,564,547	893,027,904
Total liabilities and net assets	\$ 3,107,556,686	\$ 2,373,865,490

The accompanying notes are an integral part of these consolidated financial statements.

**St. Luke's Health Network, Inc. and Controlled Entities**  
**Consolidated Statement of Operations**  
**Years Ended June 30, 2020 and 2019**

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	2020	2019
<b>Revenues, gains and other support</b>		
Net patient service revenue	\$ 2,119,725,904	\$ 2,077,733,621
Other operating revenue and gains	119,715,706	36,749,198
Net assets released from restrictions used for operations	<u>2,288,858</u>	<u>2,104,997</u>
Total revenue and gains	<u>2,241,730,468</u>	<u>2,116,587,816</u>
<b>Operating expenses</b>		
Salaries and employee benefits	1,299,584,522	1,178,917,185
Supplies and other	787,036,926	732,092,689
Depreciation and amortization	116,131,105	103,193,653
Interest	<u>36,530,012</u>	<u>32,222,420</u>
Total expenses	<u>2,239,282,565</u>	<u>2,046,425,947</u>
Income from operations	<u>2,447,903</u>	<u>70,161,869</u>
<b>Nonoperating gains (losses)</b>		
Unrestricted investment income	17,619,839	15,200,149
Realized gains on investments	6,708,069	33,341,436
Change in unrealized gains (losses) on investments	5,492,039	(11,058,744)
(Loss) income from equity method investments	(9,195,482)	1,046,764
(Loss) on disposal of property and equipment	(3,986,638)	(2,290,317)
Donations and grants to other organizations	(20,233,505)	(15,983,892)
Change in fair market value of derivatives	(30,609,992)	(18,685,702)
(Loss) on retirement/purchase of bonds	(4,764,703)	-
Pension and annuity settlement cost	(132,703)	(9,815,656)
Other nonoperating	<u>(8,777,277)</u>	<u>(4,747,940)</u>
Nonoperating (losses)	<u>(47,880,353)</u>	<u>(12,993,902)</u>
(Deficit)/Excess of revenue and gains over expenses	<u>\$ (45,432,450)</u>	<u>\$ 57,167,967</u>

The accompanying notes are an integral part of these consolidated financial statements.

**St. Luke's Health Network, Inc. and Controlled Entities**  
**Consolidated Statements of Changes in Net Assets**  
**Years Ended June 30, 2020 and 2019**

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	2020	2019
<b>Net assets without donor restrictions</b>		
Excess of revenue and gains over expenses	\$ (45,432,450)	\$ 57,167,967
Net assets contributed and released from restrictions used for purchase of property and equipment	1,691,513	1,044,269
Pension adjustment	22,263,625	(7,274,836)
Other changes in net assets without donor restrictions	<u>(398,310)</u>	<u>700,283</u>
Increase (decrease) in net assets without donor restrictions	<u>(21,875,622)</u>	<u>51,637,683</u>
<b>Net assets with donor restrictions</b>		
Contributions received	13,308,751	7,560,553
Net realized/unrealized gains on investments	3,223,159	4,645,229
Net assets released from restrictions	<u>(4,119,645)</u>	<u>(3,966,649)</u>
Increase in net assets with donor restrictions	<u>12,412,265</u>	<u>8,239,133</u>
Increase (decrease) in net assets	<u>(9,463,357)</u>	<u>59,876,816</u>
<b>Net assets</b>		
Beginning of year	<u>893,027,904</u>	<u>833,151,088</u>
End of year	<u>\$ 883,564,547</u>	<u>\$ 893,027,904</u>

The accompanying notes are an integral part of these consolidated financial statements.

**St. Luke's Health Network, Inc. and Controlled Entities**  
**Consolidated Statements of Cash Flows**  
**Years Ended June 30, 2020 and 2019**

	2020	2019
<b>Cash flows provided by operating activities</b>		
Change in net assets	\$ (9,463,357)	\$ 59,876,816
Adjustments to reconcile change in net assets to net cash from operating activities		
Loss on disposal of equipment	3,986,638	2,290,317
Depreciation and amortization	116,131,105	103,193,653
Equity loss (gain) from joint ventures and partnerships	9,195,482	(1,046,764)
Change in unrealized (gain) loss on unrestricted investments	(5,492,039)	11,058,744
Net realized gain on restricted investments	(2,568,055)	(5,153,463)
Net unrealized (gain) loss on restricted investments	(655,104)	508,234
Net realized gain on unrestricted investments	(6,708,069)	(33,297,751)
Pension adjustments	(22,263,625)	7,274,836
Swap contracts	30,609,992	18,685,702
Restricted contributions received	(13,308,751)	(7,560,553)
Change in cash due to changes in operating assets and liabilities		
Patient accounts receivable	26,610,810	(23,669,266)
Other receivables	(14,722,298)	(2,865,583)
Inventories	(11,931,186)	(2,451,802)
Prepaid expenses	305,218	(6,808,686)
Deferred compensation plan assets	(5,686,754)	(6,406,236)
Other assets	(10,781,486)	(4,870,845)
Accounts payable and accrued liabilities	399,308,074	47,539,533
Net estimated third-party payor settlements	22,031,596	4,075,898
Net cash provided by operating activities	<u>504,598,191</u>	<u>160,372,784</u>
<b>Cash flows used by investing activities</b>		
Purchases of property, plant and equipment	(143,242,234)	(205,822,427)
Proceeds from sale of equipment	647,630	376,800
Cash paid in acquisition, net of cash acquired	(867,051)	(7,415,532)
Investments in joint ventures and partnerships	(26,002,303)	(20,759,892)
Purchases of investments	(820,701,356)	(466,021,625)
Proceeds from sales of investments	551,132,728	489,298,921
Net cash used in investing activities	<u>(439,032,586)</u>	<u>(210,343,755)</u>
<b>Cash flows provided by financing activities</b>		
Proceeds from issuance of long-term debt	272,053,056	123,795,000
Repayments of long-term debt	(60,834,541)	(87,003,028)
Repurchase of St. Luke's bonds	(74,989,999)	-
Proceeds from restricted contributions	13,308,751	7,560,553
Net cash provided by financing activities	<u>149,537,267</u>	<u>44,352,525</u>
Increase/(Decrease) in cash and cash equivalents	215,102,872	(5,618,446)
<b>Cash and cash equivalents</b>		
Beginning of year	100,693,579	106,312,025
End of year	<u>\$ 315,796,451</u>	<u>\$ 100,693,579</u>
Construction in progress included in accounts payable	<u>\$ 4,039,700</u>	<u>\$ 9,479,246</u>
Cash paid for interest	<u>\$ 38,865,618</u>	<u>\$ 37,364,433</u>

The accompanying notes are an integral part of these consolidated financial statements.

# St. Luke's Health Network, Inc. and Controlled Entities

## Notes to Consolidated Financial Statements

### June 30, 2020 and 2019

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#### 1. Organization, Mission and Basis of Presentation

St. Luke's Health Network, Inc. ("Parent") is a not-for-profit, tax-exempt corporation which controls the following acute care hospitals, organization of physician practices, and other health care related organizations serving the western New Jersey and Eastern Pennsylvania regions.

- St. Luke's Hospital of Bethlehem, Pennsylvania ("St. Luke's Hospital"), which includes the following entities:
  - St. Luke's Health Network Insurance Company ("SLRRG")
  - St. Luke's HomeStar Services, LLC
  - St. Luke's AirMed, LLC
  - St. Luke's Care, LLC
  - St. Luke's Shared Savings Plan, LLC
  - Pocono MRI Imaging & Diagnostic Center, LLC
  - St. Luke's VNA ("VNA"), which includes the following two entities:
    - VNA Home Health and Hospice
    - HomeStar Medical Equipment and Infusion Services
- St. Luke's Quakertown Hospital
- St. Luke's Physician Group, Inc.
- St. Luke's Emergency and Transport Services
- Quakertown Rehabilitation Center DBA St. Luke's Rehabilitation Center
  - New Valley Rehab, LLC
- Carbon-Schuylkill Community Hospital, Inc. DBA St. Luke's Miners Memorial Medical Center ("MMMC")
- St. Luke's Hospital - Anderson Campus
- St. Luke's Hospital - Monroe Campus
- St. Luke's Warren Hospital Inc.
  - St. Luke's Warren Physician Group.
  - Hillcrest Emergency Services, Inc
- Two Rivers Enterprises, Inc.
- Sacred Heart Hospital of Allentown DBA St. Luke's Hospital – Sacred Heart Campus includes the following entities:
  - Sacred Heart Foundation
  - Sacred Heart Ancillary Services, Inc.
  - Quality Patient Care, LLC
  - SH Realty Corporation
- Sacred Heart Healthcare System
- CMS Medical Care Corporation
- Blue Mountain Hospital, Inc.
- St. Luke's Ambulatory Services, Inc.
- Mahoning Self Storage, LLC

# St. Luke's Health Network, Inc. and Controlled Entities

## Notes to Consolidated Financial Statements

### June 30, 2020 and 2019

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The Parent and controlled entities are referred to collectively as the St. Luke's Health Network, Inc. (the "Network").

The Network also participates in various joint ventures and partnerships. These arrangements enable the Network to provide healthcare services to the broader community through involvement in other healthcare organizations. See Note 10 for additional information on investments in joint ventures and partnerships.

## 2. Summary of Significant Accounting Policies

### Adoption of Accounting Pronouncements

In February 2016, the FASB issued ASC 842, Leases. The FASB retained a dual model that includes financing leases and operating leases, with expense recognized on a straight-line basis. Under the FASB's dual approach, determining whether a lease is a finance or operating lease is based on guidance similar to the classification model under current US GAAP, but without the bright lines. The main difference between previous GAAP and Topic 842 is the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases under previous GAAP. The Board decided that, lessees should be required to recognize the assets and liabilities arising from leases on the balance sheet. The Board ultimately reached the conclusion that the economics of leases can vary for a lessee and that those economics should be reflected in the financial statements; therefore, Topic 842 retains a distinction between finance leases and operating leases. The classification criteria for distinguishing between finance leases and operating leases are substantially similar to the classification criteria for distinguishing between capital leases and operating leases in the previous leases guidance. The Network adopted this new accounting standard in fiscal year 2020.

In January 2016, the FASB issued ASU 2016-01, Recognition and Measurement of Financial Assets and Financial Liabilities, which primarily affects the accounting for equity investments, financial liabilities under the fair value option, and the presentation and disclosure requirements for financial instruments. ASU 2016-01 is effective for SLHN's fiscal years beginning after December 15, 2018. SLHN early adopted the ASU provision permitting the omission of fair value disclosures for financial instruments at amortized cost in fiscal year 2016, which resulted in disclosure changes only. The Network adopted this new accounting standard in fiscal year 2020.

In August 2016, the FASB issued ASU 2016-15, Classification of Certain Cash Receipts and Cash Payments (Topic 230), which addresses eight specific cash flow issues with the objective of reducing the existing diversity in practice for certain cash receipts and cash payments. ASU 2016-15 is effective for SLHN's fiscal year beginning after December 15, 2018 using a retrospective transition approach when practicable, with early adoption permitted. The Network adopted this new accounting standard in fiscal year 2020.

In November 2016, the FASB issued ASU 2016-18, Restricted Cash (Topic 230), which provides guidance on the classification and presentation of changes in restricted cash and cash equivalents in the statement of cash flows. ASU 2016-18 is effective for SLHN's fiscal year beginning after December 15, 2018 using a retrospective transition approach, with early adoption permitted. The Network adopted this new accounting standard in fiscal year 2020. Under ASU 2016-08, the Network has made the policy election to exclude cash equivalents from the restricted cash presentation on the Consolidated Statement of Cash Flows.

In March 2017, the FASB issued ASU 2017-07, Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost (Topic 715), which provides additional guidance on the presentation of net periodic benefit cost and components eligible for capitalization. ASU

# St. Luke's Health Network, Inc. and Controlled Entities

## Notes to Consolidated Financial Statements

### June 30, 2020 and 2019

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2017-07 is effective for SLHN's fiscal year beginning after December 15, 2018 using a retrospective approach for provisions related to the presentation of the service cost and other cost components and prospectively, for provisions related to the capitalization of the service cost component. The Network adopted this new accounting standard in fiscal year 2020, applying the changes to all periods presented. ASC 715 changes the presentation of net periodic pension cost by requiring components other than service costs to be presented outside of the operating indicator.

Certain amounts in the prior year were reclassified to conform to the presentation requirements under accounting standards adopted in the current fiscal year.

#### **Recent Accounting Pronouncements**

In August 2017, the FASB issued ASU No. 2017-12, Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities. The new guidance improves the financial reporting of hedging relationships to better portray the economic results of an entity's risk management activities in its financial statements. ASU No. 2017-12 is effective for fiscal years beginning after December 15, 2019, with early adoption permitted. The Network is currently evaluating the standard to determine the impact it will have on its financial statements.

In August 2018, the FASB issued ASU No. 2018-15, Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract. The ASU aligns the accounting for costs incurred to implement a cloud computing arrangement that is a service arrangement with the guidance on capitalizing costs associated with developing or obtaining internal-use software. ASU No. 2018-15 is effective for annual periods beginning after December 15, 2020, with early adoption permitted. Entities can apply the guidance prospectively or retrospectively. The Network is currently evaluating the standard to determine the impact it will have on its financial statements.

#### **Basis of Accounting**

The consolidated financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

#### **Basis of Consolidation**

The consolidated financial statements include the accounts of the Parent and its controlled entities. The Parent exercises control over its controlled entities through the appointment of members to the controlled entities' Board of Trustees ("Board"). The accounts of the controlled entities have been included in the consolidated financial statements to reflect the results of operations of entities under common control. All significant intercompany balances and transactions have been eliminated.

#### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

#### **Cash and Cash Equivalents**

Cash and cash equivalents include cash management funds with original maturities of three months or less, excluding amounts whose use is limited by Board designation or other arrangements under trust agreements. The carrying value of cash and cash equivalents approximates market value.

# St. Luke's Health Network, Inc. and Controlled Entities

## Notes to Consolidated Financial Statements

### June 30, 2020 and 2019

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#### Investments and Investment Income

Investments are measured at fair value in the balance sheet. Investment income or loss (including interest, dividends and realized gains and losses on unrestricted investments), is included in the excess of revenues over expenses unless the income or loss is restricted by donor or law. Unrealized gains and losses on unrestricted investments are reported above the excess of revenues over expenses within net asset changes. Realized and unrealized gains and losses on donor restricted investments are reported as changes in net assets with donor restrictions.

Investment income and the change in unrealized gains (losses) on investments was comprised of the following for the years ended June 30:

- Interest and dividend income are included within unrestricted investment.
- Realized gain on sale of investments is included within realized gains on investments within the statement of operations.
- Net unrealized gains (losses) on investments are included within nonoperating change in unrealized gains on investments.

	2020	2019
Interest and dividend income	\$ 17,619,841	\$ 15,200,149
Realized gains on investments	6,708,069	33,341,436
Net unrealized gains (losses) on investments	5,492,039	(11,058,744)

#### Assets Limited as to Use

Assets limited as to use primarily include assets held by trustees under indenture agreements and designated assets set aside by the board of trustees for future capital improvements, over which the Board retains control and may at its discretion subsequently use for other purposes.

#### Inventories

Inventories of supplies are composed of medical supplies and pharmaceuticals, and are recorded at the lower of cost or net realizable value using the first-in, first-out method.

#### Property and Equipment

Property and equipment acquisitions are recorded at cost for purchased items and fair value at the date of contribution for contributed items. Depreciation is expensed over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. Equipment under finance lease obligations is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Such amortization is included in depreciation and amortization in the consolidated statements of operations. Interest costs incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of constructing those assets. Upon sale or retirement, the cost and related accumulated depreciation of such assets are removed from the accounts and any resulting gain or loss realized is credited or charged to income for the period. Expenditures for maintenance and repairs are expensed as incurred. Significant renewals, improvements and betterments are capitalized.

#### Long Lived Assets

The Network evaluates the carrying value of its long lived assets for impairment when impairment indicators are identified. In the event that the carrying value of a long-lived asset is not supported by the fair value, the Network will recognize an impairment loss for the difference. Fair value is based on available market prices or discounted cash flows.

# St. Luke's Health Network, Inc. and Controlled Entities

## Notes to Consolidated Financial Statements

### June 30, 2020 and 2019

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Gifts of long-lived assets such as land, building, or equipment are reported as unrestricted support, and are excluded from the excess of revenue and gains over expenses, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long these long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

#### **Goodwill**

Goodwill recorded in the accompanying consolidated balance sheets represents the excess of the fair market value of assets acquired over the purchase price. Management reviews goodwill for impairment annually or when events and circumstances indicate that the carrying amount may not be recoverable.

Under ASC 280-10-50-1, "Segment Reporting," an "operating segment" is defined as a component of an entity that has all of the following characteristics:

- a. it engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other companies of the same entity);
- b. its operating results are regularly reviewed by the enterprise's chief operating decision maker ("CODM") in order to make decisions about resources to be allocated to the segment and assess its performance; and
- c. It has discrete financial information available.

Based on the guidance outline above, Management has determined that one operating segment exists. This determination was reached based on the following (in order of the literature above):

- a. St. Luke's engages in similar business activities relating to patient care at all locations, incurring similar revenues and expenses.
- b. Results are reviewed at a Corporate, consolidated level by the CODM in order to make decisions about resources to be allocated to the Company and assess its performance. These resources are then further allocated by someone other than the CODM to the components that fall under Corporate;
- c. The Company has discrete financial information available.

#### **Deferred Financing Costs**

Deferred financing costs represent costs incurred in connection with the issuance of bonds and are amortized over the life of the related debt using the effective interest method.

#### **Self-Insurance Reserves**

Accrued insurance costs consist of discounted reserves for reported and incurred-but-not-reported (IBNR) claims related to medical malpractice incidents and the Network's self-insured retention for workers' compensation and employee health insurance incidents. For the years ended June 30, malpractice reserves and workers compensation reserves are discounted using a discount rate of 2.58% and 2.58%, respectively, in 2020 and 4.35% and 4.35%, respectively, in 2019. Effective 12/1/2016, St. Luke's Health Network Insurance Company non-renewed the buffer layer coverage. The Network assumed responsibility for buffer layer coverage. Buffer layer reserves are discounted using a discount rate of 2.58%.

# St. Luke's Health Network, Inc. and Controlled Entities

## Notes to Consolidated Financial Statements

### June 30, 2020 and 2019

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#### **Gift Annuities**

The Hospital receives assets from donors in exchange for the promise to make fixed payments, over a specified period of time, to a recipient as designated by the donor. The Hospital discounts (this past year the discount rate averaged 1.8%) the liability for annuity contracts based on the annuitant's estimated life expectancy. These amounts are included in other noncurrent liabilities on the balance sheets. Any restricted assets remaining at the end of the annuity contract are placed into an endowment fund and the earnings on those funds are available for the general operations of the Network. Any unrestricted assets remaining at the end of the annuity contract are available for the general operations of the Network. The Network revalues the liability for annuity contracts quarterly and the related change is included as a change in net assets.

#### **Net assets with donor restrictions**

Net assets with donor restrictions include assets whose use by the Network has been limited by donors to a specific time period or purpose.

#### **Donor Restricted Gifts**

Unconditional promises to give cash and other assets to the Network are reported 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 and conditions have been met. The gifts are reported with restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires or the purpose restriction is accomplished, previously restricted net assets are reclassified as net assets without restrictions and reported in the consolidated statements of operations as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted gifts, grants and bequests in the accompanying consolidated financial statements.

#### **(Deficiency) Excess of Revenues Over Expenses**

The (deficiency) excess of revenues over expenses (the performance indicator), consistent with industry practice, includes all revenues, expenses, and net gains and losses for the reporting period classified as without donor restrictions. Net assets released from restriction to fund capital purchases and certain pension liability adjustments are reported outside the performance indicator.

#### **Income Taxes**

The Parent and its controlled hospital entities, are Pennsylvania and New Jersey not-for-profit corporations and have been recognized as tax-exempt pursuant to Section 501(c)(3) of the Internal Revenue Code. On such basis, the Parent and its controlled hospital entities will not incur any liability for federal income taxes, except for possible unrelated business income.

St. Luke's Health Network Insurance Company is a taxable reciprocal insurer.

St. Luke's HomeStar Services, LLC and Sacred Heart Ancillary Services, Inc. are taxable distributors of pharmacy and infusion services.

St. Luke's Warren Physician Group, P.C., PA Alliance, Hillcrest Emergency Services, P.C. and Two Rivers are for profit entities providing outpatient health care services in Pennsylvania and New Jersey. Prior to January 1, 2009, St. Luke's Warren Physician Group, P.C. and Hillcrest Emergency Services, P.C. elected, under the applicable provisions of the Internal Revenue Code and applicable state codes, to have the physician owner recognize their respective share of net income or loss on their individual tax returns. Accordingly, St. Luke's Warren Physician Group, P.C. and Hillcrest Emergency Services, P.C. did not record a liability for federal and state income taxes. Effective January 1, 2009, St. Luke's Warren Physician Group, P.C. and Hillcrest

# St. Luke's Health Network, Inc. and Controlled Entities

## Notes to Consolidated Financial Statements

### June 30, 2020 and 2019

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Emergency Services, P.C. commenced operating as a for profit "C" corporation. The deferred tax assets arising from net operating losses and other temporary items generated by for profit entities, approximately \$3.76 million and \$3.87 million at June 30, 2020 and June 30, 2019, respectively, are subject to a full valuation allowance as the realization of such deferred tax assets cannot be considered more likely than not at June 30, 2020.

Sacred Heart HealthCare System, Sacred Heart Realty Corporation and Sacred Heart Foundation are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code and are exempt from federal income taxes under Section 501(a) of the Internal Revenue Code.

Quality Patient Care, LLC is treated as a partnership for federal and state income tax purposes and income earned is passed through to its member, and as such, no income taxes have been incurred or accrued.

#### **Swap Contracts**

The Network follows accounting guidance on derivative financial instruments based on whether the derivative instrument meets the criteria for designation as a cash flow or fair value hedge. The criteria for designating a derivative as a hedge includes the assessment of the instrument's effectiveness in risk reduction, matching of the derivative instrument to its underlying transaction, and the assessment of the probability that the underlying transaction will occur. At June 30, 2020 and 2019, both of the Network's derivative financial instruments are interest rate swap agreements accounted for as a nonoperating change in fair market value of derivatives. These swap agreements are recorded at fair value and the change in value is included in interest rate swap agreements on the statement of operations.

The value of interest rate swap agreements entered into by the Network are adjusted to market value monthly at the close of each accounting period based upon quotations from market makers. Entering into interest rate swap agreements involves elements of credit, default, prepayment, market and documentation risk in excess of the amounts recognized on the Consolidated Balance Sheets. Such risks involve the possibility that there will be no liquid market for these agreements, the counterparty to these agreements may default on its obligation to perform and there may be unfavorable changes in interest rates. The Network does not hold derivative instruments for the purpose of managing credit risk and limits the amount of credit exposure to any one counterparty.

#### **Leases**

Effective July 1, 2019, the Network accounts for leases in accordance with ASC 842. In accordance with ASC 842, the Network determines if an arrangement is or contains a lease at contract inception and recognizes an asset and a lease liability at the lease commencement date. Contract terms determine if a lease will be accounted for as an operating or finance lease.

For Operating leases, the lease liability is measured at the present value of the unpaid lease payments. The ROU asset is subsequently measured throughout the lease term at the carrying amount of the lease liability, plus initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received. Lease expense is recognized on a straight-line basis over the lease term.

For finance leases, the lease liability is initially measured in the same manner as operating leases and is subsequently measured at amortized cost using the effective-interest method. The asset is subsequently amortized using the straight-line method from the lease commencement date to the earlier of the end of its useful life or lease term, unless the lease transfers ownership to the

# St. Luke's Health Network, Inc. and Controlled Entities

## Notes to Consolidated Financial Statements

### June 30, 2020 and 2019

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Network. Amortization of the asset and interest expense of the lease liability are recognized and presented separately.

The Network has elected not to recognize ROU assets and lease liabilities for short term leases that have a term of twelve month or less and recognizes the lease payments associated with its short-term leases as an expense on a straight-line basis over the lease term.

Several key estimates and judgments are used to determine the ROU assets and operating lease liabilities including the discount rate used to discount the unpaid lease payments to present value, lease term and lease payments ASC 842 requires a lessee to discount its unpaid lease payments using the interest rate implicit in the lease or, if that rate cannot be readily determined, its incremental borrowing rate. The incremental borrowing rate is the rate of interest the Network would have to pay to borrow an amount equal to the lease payments under similar terms and conditions.

### 3. Revenue Recognition and Accounts Receivable

The Network recognized revenue from contracts with customers in accordance with ASC 606. The standard's core principle is that an entity will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services.

#### Net Patient Service Revenue

Patient care service revenue is reported at the amount that reflects the consideration to which St Luke's expects to be entitled in exchange for providing patient care. These amounts are due from patients, third-party payors (including health insurers and government programs), and others and include variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. Generally, The Network bills its patients and third-party payors a few days after the services are performed or the patient is discharged from the facility. Revenue is recognized as performance obligations are satisfied.

Performance obligations are determined based on the nature of the services provided by The Network. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. The Network believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to patients in our hospitals receiving inpatient acute care and subacute care services or patients receiving multiple scheduled services in our outpatient departments. The Network measures the performance obligation from admission into the hospital, or the commencement of an outpatient service, to the point when there are no further services required for the patient, which is generally at the time of discharge or completion of the outpatient services. Revenue for performance obligations satisfied at a point in time is generally recognized when goods are provided to our patients and customers in a retail setting (for example, pharmaceuticals and medical equipment) and the Network does not believe it is required to provide additional goods or services to the patient.

Because all of its patient service performance obligations relate to contracts with a duration of less than one year, the Network has elected to apply the optional exemption provided in ASC 606-10-50-14(a) and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. The unsatisfied or partially unsatisfied performance obligations referred to above are primarily related to inpatient acute care services at the end of the reporting period. The

# St. Luke's Health Network, Inc. and Controlled Entities

## Notes to Consolidated Financial Statements

### June 30, 2020 and 2019

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performance obligations for these contracts are generally completed when the patients are discharged, which generally occurs within days or weeks of the end of the reporting period.

The Network determines the transaction price based on gross charges for services provided, reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured patients in accordance with the Network's policy, and implicit price concessions provided to uninsured patients. The Network determines its estimates of contractual adjustments and discounts based on contractual agreements, its discount policies, and historical experience. Fixed discounts are by legislative statute in the case of Medicare and Medicaid, and negotiated in the case of commercial payors. The Network determines its estimate of implicit price concessions based on its historical collection experience with these classes of patients using a payer specific approach. This approach is being used as the Network has a large volume of similar contracts with similar classes of customers. Management's judgment to group the contracts by payer is based on the payment behavior expected in each payer category. The Network reasonably expects that the effect of applying a payer approach to a group of contracts would effectively consider each contract separately.

Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to patient service revenue in the period of the change. No significant amounts of revenues were recognized in the current year due to changes in the estimates of implicit price concessions, discounts and contractual adjustments for performance obligations satisfied in prior years. Subsequent changes that are determined to be the results of an adverse change in the patient's or third party payor's ability to pay are recorded as bad debt expense. Bad debt expense is reported as a component of supplies and other in the consolidated statements of operations and changes in net assets and was not significant for the years ended June 30, 2020 and 2019.

Agreements with third-party payors typically provide for payments at amounts less than established charges. A summary of the payment arrangements with major third-party payors is discussed in Footnote 8.

The Network is paid prospectively based upon negotiated rates for commercial insurance carriers and predetermined rates per discharge for Medicaid and Medicare program beneficiaries.

Laws and regulations concerning government programs, including Medicare and Medicaid, are complex and subject to varying interpretation. As a result of investigations by governmental agencies, various health care organizations have received requests for information and notices regarding alleged noncompliance with those laws and regulations, which, in some instances, have resulted in organizations entering into significant settlement agreements. Compliance with such laws and regulations may also be subject to future government review and interpretation, as well as significant regulatory action, including fines, penalties, and potential exclusion from the related programs. There can be no assurance that regulatory authorities will not challenge the Network's compliance with these laws and regulations, and it is not possible to determine the impact (if any) such claims or penalties would have upon the Network and its Affiliates. In addition, the contracts the Network and its Affiliates have with commercial payors also provide for retroactive audit and review of claims.

Settlements with third-party payors for retroactive adjustments due to audits, reviews, or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor, and the Network historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the

**St. Luke's Health Network, Inc. and Controlled Entities**  
**Notes to Consolidated Financial Statements**  
**June 30, 2020 and 2019**

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uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known (that is, new information becomes available), or as years are settled or are no longer subject to such audits, reviews, and investigations.

During the year ended June 30, 2020, St Luke's received final audits for Medicare cost report years 2015 and 2016. As of June 30, 2020, the Network has Medicare cost report years 2012, 2013, 2014, 2017, 2018, 2019 and 2020 open.

The Network has determined it has provided implicit price concessions to uninsured patients and patients with other uninsured balances (for example, copays and deductibles). The implicit price concessions included in estimating the transaction price represent the difference between amounts billed to patients and the amounts the Network expects to collect based on its collection history with those patients. Such patients are identified based on information obtained from the patient and subsequent analysis. Because the Network does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. Direct and indirect costs for these services amounted to \$46,429,986 and \$42,302,000 for the years ended June 30, 2020 and 2019, respectively. The costs of providing charity care services are based on a calculation which applies a ratio of costs to charges to the gross uncompensated charges associated with providing care to charity patients. The ratio of cost to charges is calculated based on the Network total expenses divided by gross patient service revenue.

The composition of net patient care service revenue by primary payor for the years ended June 30 is as follows:

	2020		2019	
<b>Financial Statements</b>				
Medicare/Medicare MCO	\$ 814,875,058	38.44%	\$ 812,217,142	39.09%
Blue Cross	540,983,329	25.52%	565,021,721	27.19%
Commercial / HMO	503,691,938	23.76%	503,399,106	24.23%
Medicaid / Medicaid MCO	201,815,016	9.52%	165,949,311	7.99%
Other	34,089,510	1.61%	24,810,392	1.19%
Self Pay	24,271,053	1.15%	6,335,949	0.30%
	\$ 2,119,725,904		\$ 2,077,733,621	

Revenue from patient's deductibles and coinsurance is included in the preceding categories based on the primary payor.

The Network has elected the practical expedient allowed under ASC 606-10-32-18 and does not adjust the promised amount of consideration from patients and third-party payors for the effects of a significant financing component due to the Network expectation that the period between the time the service is provided to a patient and the time that the patient or a third-party payor pays for that service will be one year or less. However, the Network does, in certain instances, enter into payment agreements with patients that allow payments in excess of one year. For those cases, the financing component is not deemed to be significant to the contract.

**Other Revenue**

Other revenues consist principally of grants and contribution revenue, program income, cafeteria income, nursing school and medical school tuition, and rental income. For the majority of its grants, the Network has determined that there is not exchange back to the granting authority.

**St. Luke's Health Network, Inc. and Controlled Entities**  
**Notes to Consolidated Financial Statements**  
**June 30, 2020 and 2019**

Therefore, the Network accounts for these grants under the contribution model, which is outside the scope of ASC 606 and revenue is recognized as conditions have been met. Revenue for the services listed below is recorded in the period in which these services are performed.

	<u>2020</u>		<u>2019</u>	
Grants and Contribution revenue	\$ 4,447,504	3.7%	\$ 4,892,692	13.3%
Program income	6,496,379	5.4%	6,500,530	17.7%
Nutrition services - Cafeteria income	953,271	0.8%	5,608,027	15.3%
Nursing School & Medical School Tuition	5,516,539	4.6%	4,839,670	13.2%
Rental income	3,733,778	3.1%	4,170,792	11.3%
Clinical Trials	3,004,917	2.5%	3,328,444	9.1%
Quality Based initiatives	3,668,526	3.1%	3,095,065	8.4%
Other	1,981,864	1.7%	2,015,539	5.5%
Covid 19 - Cares Act Stimulus Funds	85,428,449	71.4%	-	0.0%
Gain on insurance captive	3,647,862	3.0%	1,464,814	4.0%
Interest income	836,617	0.7%	833,625	2.3%
Other revenue	<u>\$ 119,715,706</u>	<u>100.0%</u>	<u>\$ 36,749,198</u>	<u>100.0%</u>

**4. Contributions Received**

*Recently adopted accounting pronouncement.* In June 2018, the FASB issued ASU 2018-08, "Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made". The new standard applies to all entities that receive or make contributions. The guidance clarifies the definition of transactions accounted for as an exchange transaction subject to ASU 2014-09 or other applicable guidance, and transactions that should be accounted for as contributions (non-exchange) subject to the contribution accounting model. Further, the guidance provides criteria for evaluating whether contributions are conditional or unconditional. Conditional contributions must specify a barrier that the recipient must overcome and a right of return that releases the donor from its obligation if the barrier is not achieved, otherwise the contribution is unconditional. Once a contribution is determined to be unconditional, the determination of whether there is a donor-imposed restriction can be made. This ASU modifies the simultaneous release option currently in GAAP, which allows a not-for-profit organization to recognize a restricted contribution directly in net assets without donor restrictions if the restriction is met in the same period that the revenue is recognized. This election may now be made for all restricted contributions that were initially classified as conditional without having to elect it for all other restricted contributions and investment returns. There was no significant impact on the Consolidated Financial Statements.

The Network receives contributions in the form of conditional government grants and other conditional donor contributions in the form of estates and trusts. The grants are carried out for research activities that benefit the general public, and not for the government's own use. The grants are considered conditional due to the requirement of spending the awarded funds on qualifying expenses and a right of return exists for unexpended funds. The grants are reimbursed after the expenses have been incurred. As of June 30, 2020, the Network had no conditional contributions for which the condition had not been met.

**5. Risks and Uncertainties**

The health care industry is subject to numerous laws and regulations of federal, state and local governments. Compliance with these laws and regulations can be subject to future government

**St. Luke’s Health Network, Inc. and Controlled Entities**  
**Notes to Consolidated Financial Statements**  
**June 30, 2020 and 2019**

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review and interpretation as well as regulatory actions unknown or unasserted at the time. Recently, government activity has increased with respect to investigations and allegations concerning possible violations by health care providers of fraud and abuse statutes and regulations, which could result in the imposition of significant fines and penalties as well as significant repayments for patient services previously billed. Compliance with such laws and regulations are subject to future government review and interpretations as well as regulatory actions unknown or unasserted at this time.

**6. Concentrations of Credit Risk**

Financial instruments which subject the Network to concentrations of credit risk consist primarily of cash and cash equivalents, investments, assets limited as to use, and patient accounts receivable.

The Network maintains cash, investments and assets limited as to use in banks, which include cash equivalents consisting of overnight repurchase agreements. Amounts are invested in a variety of financial instruments. The related values, as presented in the consolidated financial statements, are subject to various market fluctuations which include changes in the equity markets, interest rate environment and the general economic conditions. The FDIC insures funds up to \$500,000 per depositor.

The Network’s patient accounts receivable consist of unsecured amounts due for patient services billed to patients and other third-party payors such as Medicare, Medical Assistance, Blue Cross and various commercial insurance companies and managed care companies. The primary service area of the Network is located in Lehigh, Northampton, Carbon, Schuylkill, Monroe and Bucks Counties, Pennsylvania and Warren County, New Jersey. The ability of these patients to pay is subject to changes in general economic conditions of the Network’s service area.

The mix of receivables from patients and third-party payors at June 30, 2020 and 2019 was as follows:

	<b>2020</b>	<b>2019</b>
Medicare	19.7 %	20.2 %
Medical Assistance	7.9 %	7.5 %
Commercial	61.1 %	59.6 %
Self pay (includes balances of patients filing for Medicaid eligibility, but not yet approved)	11.3 %	12.7 %
	<u>100.0 %</u>	<u>100.0 %</u>

**7. Charity Care and Community Service**

The Network maintains records to identify and monitor the level of charity care and community service it provides. These records include the amount of charges foregone based on established rates for services and the estimated cost of those services furnished under its charity care policy. Additionally, the Network sponsors certain other service programs and charity services which provide substantial benefit to the broader community. Such programs include services to needy populations and support including: HIV treatments, medical and dental mobile vans, health fairs, community-based medical clinics, and teen pregnancy counseling.

The Network also participates in the Medical Assistance program which makes payment for services provided to financially needy patients at rates which are less than the cost of such

# St. Luke's Health Network, Inc. and Controlled Entities

## Notes to Consolidated Financial Statements

### June 30, 2020 and 2019

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services. Additionally, the Network provides services through the emergency room and clinics at a substantial loss.

The Network provides care to all patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Charges for services to patients who meet the Network's guidelines for charity care are not reflected in the accompanying consolidated financial statements. The charges associated with these services for charity care provided by the Network approximate \$45,583,689 and \$83,694,270 in 2020 and 2019, respectively. The costs incurred to provide such care is determined using a cost to charge ratio and were approximately \$5,300,000 and \$10,000,000 for 2020 and 2019, respectively.

#### 8. Third-Party Agreements

For the years ended June 30, 2020 and 2019, payment arrangements with the Network and third-party payors were as follows:

##### **Medicare**

Payments to St. Luke's Hospital, St. Luke's Quakertown Hospital, MMMC, St. Luke's Hospital - Anderson Campus, St. Luke's Warren Hospital and St. Luke's Hospital - Monroe Campus from the Medicare program for inpatient acute care services are made on a prospective basis. Under this program, payments are made at a predetermined specific rate for each discharge based on the patient's diagnosis, and certain components of those rates are retrospectively adjusted through the cost report settlement.

Outpatient services are reimbursed under the Ambulatory Payment Classification System except for certain services (clinical lab, physical therapy, occupational therapy, speech therapy) which are paid on prospectively determined fee schedules.

##### **Capital Blue Cross/Highmark Blue Shield**

Inpatient services rendered to Capital Blue Cross and Highmark Blue Shield subscribers are reimbursed at prospectively determined per case rates. Outpatient services provided to Capital Blues Cross members are reimbursed on a case rate or fee schedule basis, while Highmark members are reimbursed in accordance with Highmark's Ambulatory Payment Classification (APC) Based Methodology which is based on the Medicare Hospital Outpatient Prospective Payment System (OPPS).

##### **Medicaid**

The Pennsylvania Medical Assistance program ("PMA") reimburses St. Luke's Hospital, St. Luke's Quakertown Hospital, MMMC, St. Luke's Hospital - Anderson Campus and St. Luke's Hospital - Monroe Campus for inpatient services and capital costs on a prospective basis. Payments for inpatient services are made at a predetermined specific rate for each discharge based on the patient's diagnosis. Outpatient services are reimbursed on the basis of an established fee schedule. The New Jersey Medicaid program also reimburses St. Luke's Warren Hospital for inpatient services on a prospective basis similar to the Pennsylvania program; however, outpatient services (other than those that are paid under a Medicaid managed care plan) are paid based on an interim ratio of cost to charges and reconciled to actual cost less 5.8% operating costs and 10% capital costs via a cost report.

In July 2010 the Pennsylvania General Assembly passed the Public Welfare Code amendment (Act 49) which was signed into law by the Governor, establishing a new program referred to as Medicaid Modernization. The program was subsequently approved by the federal Centers for

# St. Luke's Health Network, Inc. and Controlled Entities

## Notes to Consolidated Financial Statements

### June 30, 2020 and 2019

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Medicare and Medicaid Services. The program is designed to provide additional funding to Pennsylvania hospitals for the purpose of enhancing access to quality healthcare for qualifying Medicaid beneficiaries, helping to partially mitigate the losses incurred by hospitals resulting from low reimbursement rates. To accomplish this objective, for fiscal years 2011 through 2019, the program provides participating hospitals with improved inpatient fee-for-service hospital payments, establishes enhanced hospital payments through Medicaid managed care organizations (MCOs), and secures additional federal matching Medicaid funds through a Quality Care Assessment, under which hospitals pay the state a percentage of their net patient revenue for fiscal year 2011. The cost of the assessment due to the state was \$28,719,586 and \$26,733,725 in 2020 and 2019, respectively and are reflected within net patient service revenue. The Network recognized additional net patient service revenue of \$19,607,143 and \$16,552,720 for the years ended June 30, 2020 and 2019, respectively, from the Pennsylvania Medicaid Modernization program.

#### **Other**

The Network has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations and preferred provider organizations. The basis for payment to the Network under these agreements includes prospectively determined rates per discharge, discounts from established charges, prospectively determined daily rates and capitated payment arrangements.

Included in net patient service revenue are changes in liability adjustments from third party payors with an overall net favorable adjustment of \$3,745,784 for 2020 as compared to a favorable adjustment of \$7,673,992 for 2019.

## **9. Fair Value Measurements**

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

The accounting guidance establishes a hierarchy of valuation inputs based on the extent to which the inputs are observable in the marketplace. A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Financial instruments measured at fair value are based on valuation techniques noted below consistent with fair value guidance. The following describes the hierarchy of inputs used to measure fair value and the primary valuation methodologies used by the Network for financial instruments measured at fair value on a recurring basis. The three levels of inputs are as follows:

- Level 1 – Quoted prices in active markets for identical assets or liabilities. Market price data is generally obtained from exchange or dealer markets. The Network does not adjust the quoted price for such assets and liabilities.
- Level 2 – Inputs other than level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the same term of the assets or liabilities. Inputs are obtained from various sources including market participants, dealers, and brokers.
- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

**St. Luke's Health Network, Inc. and Controlled Entities**  
**Notes to Consolidated Financial Statements**  
**June 30, 2020 and 2019**

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Interest rate swaps are valued using both observable and unobservable inputs, such as quotations received from the counterparty, dealers or brokers, whenever available and considered reliable. In instances where models are used, the value of the interest rate swap depends upon the contractual terms of, and specific risks inherent in, the instrument as well as the availability and reliability of observable inputs. Such inputs include market prices for reference securities, yield curves, credit curves, measures of volatility, prepayment rates, assumptions for nonperformance risk, and correlations of such inputs. Certain interest rate swap arrangements have inputs which can generally be corroborated by market data and are therefore classified within level 2.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Network believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

The Network investment portfolio on the balance sheet includes:

	<b>2020</b>	<b>2019</b>
Current investments	\$ 163,651,030	\$ 197,921,758
Assets limited as to use		
Funds held by trustee	7,417,871	579,860
Funds held under bond indenture	806	6,604,547
Board designated funds	697,488,623	384,966,321
Investments restricted as to use	<u>95,287,807</u>	<u>88,781,756</u>
Total current and noncurrent investments	<u>\$ 963,846,137</u>	<u>\$ 678,854,242</u>
Premier investment (included in other assets)	<u>\$ 20,006,486</u>	<u>\$ 19,401,564</u>

**St. Luke's Health Network, Inc. and Controlled Entities**  
**Notes to Consolidated Financial Statements**  
**June 30, 2020 and 2019**

Financial instruments carried at fair value as of June 30, 2020 and 2019 are as follows:

	<b>June 30, 2020</b>			
	<b>Quoted Prices in Active (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservabl Inputs (Level 3)</b>	<b>Total Fair Value</b>
<b>Investments</b>				
Cash equivalents & money market funds	\$ 205,315,203	\$ -	\$ -	\$ 205,315,203
Government securities	64,061,697	-	-	64,061,697
Corporate bonds	108,733,003	-	-	108,733,003
Common & preferred stock	2,721,440	-	-	2,721,440
Mutual funds	<u>583,014,794</u>	<u>-</u>	<u>-</u>	<u>583,014,794</u>
Total investments	<u>\$ 963,846,137</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 963,846,137</u>
<b>Deferred compensation plan assets</b>				
Mutual funds	<u>\$ 43,832,611</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,832,611</u>
<b>Premier Class B Common Units</b>				
Domestic Stock Equivalent	<u>\$ -</u>	<u>\$ 20,006,486</u>	<u>\$ -</u>	<u>\$ 20,006,486</u>
<b>Derivative financial instruments</b>				
Interest rate swaps-liability	<u>\$ -</u>	<u>\$ 97,785,332</u>	<u>\$ -</u>	<u>\$ 97,785,332</u>
	<b>June 30, 2019</b>			
	<b>Quoted Prices in Active (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservabl Inputs (Level 3)</b>	<b>Total Fair Value</b>
<b>Investments</b>				
Cash equivalents & money market funds	\$ 8,598,828	\$ -	\$ -	\$ 8,598,828
Government securities	45,779,131	-	-	45,779,131
Corporate bonds	107,292,237	-	-	107,292,237
Common & preferred stock	14,974,664	-	-	14,974,664
Mutual funds	<u>502,209,382</u>	<u>-</u>	<u>-</u>	<u>502,209,382</u>
Total investments	<u>\$ 678,854,242</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 678,854,242</u>
<b>Deferred compensation plan assets</b>				
Mutual funds	<u>\$ 38,145,857</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,145,857</u>
<b>Premier Class B Common Units</b>				
Domestic Stock Equivalent	<u>\$ -</u>	<u>\$ 19,401,564</u>	<u>\$ -</u>	<u>\$ 19,401,564</u>
<b>Derivative financial instruments</b>				
Interest rate swaps-liability	<u>\$ -</u>	<u>\$ 67,175,340</u>	<u>\$ -</u>	<u>\$ 67,175,340</u>

# St. Luke's Health Network, Inc. and Controlled Entities

## Notes to Consolidated Financial Statements

### June 30, 2020 and 2019

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#### 10. Investments in Joint Ventures and Partnerships

St. Luke's Hospital is a Class B member of the St. Luke's Physician Hospital Organization, Inc. ("PHO"). The PHO has two classes of members: Class A members consist of primary care and specialist physicians and Class B members consist of member hospitals, St. Luke's being the only Class B member hospital.

St. Luke's Health Network holds a 50% equity interest in the Center for Oral and Maxillofacial Surgery and Implantology at St. Luke's, LLC, which was organized on May 12, 2005 and provides oral surgery services which enables the joint venture to respond to community needs.

St. Luke's Health Network holds a 40% equity interest in AdaptHealth, which was organized on March 1, 2013 and provides durable medical equipment services.

St. Luke's Health Network holds a 40% equity interest in Etowah Dialysis, Inc., which was organized on September 1, 2013 and provides outpatient dialysis services.

Sacred Heart Healthcare System holds a 50% equity interest in Sacred Heart Assisted Living Partnership ("Assisted Living I"), a for-profit joint venture with a 140-unit assisted living facility in Northampton, Pennsylvania.

St. Luke's Health Network holds a 50% equity interest in GSL Consolidated (Hospital and Physician Group). The investment has been accounted for under the equity method of accounting. As of June 30, St. Luke's Health Network reported an investment in GSL of \$36,083,171 and \$18,579,212 for 2020 and 2019, respectively. St. Luke's proportionate share of the loss in the amount of \$11,248,195 and \$536,940 are reported within the loss from equity method investments on the statement of operations for the years ended June 30, 2020 and 2019, respectively.

The Network also maintains other investments in partnerships that provide various clinical and nonclinical services. The Network's investments in the partnerships are accounted for under the equity method. The total investments in joint ventures and partnerships of approximately \$56,021,404 and \$39,214,583 for the years ended June 30, 2020 and 2019, respectively, are included in Investments in joint ventures on the consolidated balance sheets.

**St. Luke's Health Network, Inc. and Controlled Entities**  
**Notes to Consolidated Financial Statements**  
**June 30, 2020 and 2019**

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**11. Property and Equipment**

Property and equipment and related accumulated depreciation at June 30, 2020 and 2019 consisted of the following:

	<b>2020</b>	<b>2019</b>
Land	\$ 119,481,732	\$ 116,102,186
Buildings and improvements	1,157,189,033	992,089,054
Equipment	1,166,908,329	1,113,432,815
Parking garage	<u>26,812,227</u>	<u>26,812,227</u>
Total property, plant, & equipment, gross	2,470,391,321	2,248,436,282
Less: Accumulated depreciation	<u>1,396,600,454</u>	<u>1,311,714,428</u>
Total property, plant & equipment, net	1,073,790,867	936,721,854
Construction-in-progress (CIP)	<u>50,189,803</u>	<u>161,263,127</u>
Total property, plant & equipment, net and CIP	<u>\$ 1,123,980,670</u>	<u>\$ 1,097,984,981</u>

Depreciation expense was approximately \$112,524,349 and \$100,605,800 for the years ended June 30, 2020 and 2019, respectively. Interest that was capitalized was approximately \$4,066,640 and \$5,040,753 for the years ended June 30, 2020 and 2019, respectively.

**St. Luke's Health Network, Inc. and Controlled Entities**  
**Notes to Consolidated Financial Statements**  
**June 30, 2020 and 2019**

**12. Long-Term Debt**

Long-term debt at June 30, 2020 and 2019 consisted of the following:

	2020	2019
Hospital Revenue Bonds, Series 2010A, 2010B, 2010C, issued by Northampton County General Purpose Authority, net of unamortized premium	\$ -	\$ 17,394,903
Hospital Revenue Bonds, Series 2013A & 2013B, issued by Northampton County General Purpose Authority, net of unamortized premium	24,274,209	64,290,225
Hospital Refunding Bonds, Series 2013, issued by New Jersey Health Care Facilities Financing Authority, net of unamortized premium	38,887,870	38,949,628
Hospital Revenue Bonds - Series 2015A, issued by Pocono Mountains Industrial Park Authority, net of unamortized premium	84,110,330	84,268,419
Hospital Revenue Bonds, Series 2016A, issued by Northampton County General Purpose Authority, net of unamortized premium	240,157,263	245,615,186
Hospital Revenue Bonds, Series 2018A & 2018B, issued by Northampton County General Purpose Authority, net of unamortized premium	151,382,393	151,430,062
Hospital Revenue Bonds, Series 2018C, issued by Northampton County General Purpose Authority, net of unamortized premium	60,880,000	60,880,000
Hospital Revenue Bonds, Series 2012, issued by Carbon County General Purpose Authority, net of unamortized premium	-	1,190,000
Hospital Revenue Bonds, Series 2015, issued by Carbon County General Purpose Authority, net of unamortized premium	-	19,571,392
Hospital Revenue Bonds, Series 2017B, issued by Lehigh County General Purpose Authority, net of unamortized premium	61,995,000	62,915,000
Hospital Revenue Bonds, Series 2019, issued by Bucks County Industrial Development Authority, net of unamortized premium	109,086,959	-
Hospital Revenue Bonds, Series 2020, issued by Northampton County General Purpose Authority, net of unamortized premium	89,555,000	-
TD Bank, N.A. and BB&T Notes Payable	-	39,315,000
TD Bank, N.A. Notes Payable	45,245,698	47,441,494
Wells Fargo Equipment Finance, Inc.	149,617	1,406,937
Bank of America Loans	18,582,390	25,041,833
Fulton Bank	50,000,000	-
TD Bank Blue Mountain Bridge Loan	23,270,453	-
77 South Commerce	18,988,556	19,327,284
Various notes and mortgage notes payable at various interest rates	2,615,907	3,975,220
Deferred Financing Costs	(9,565,023)	(8,882,936)
	<u>1,009,616,622</u>	<u>874,129,647</u>
Less: Current portion	<u>20,679,552</u>	<u>26,167,269</u>
	<u>\$ 988,937,070</u>	<u>\$ 847,962,378</u>

Effective interest rates on fixed debt obligations range from 4.0% - 5%, and 1.93% - 3.70% on variable rate obligations.

**St. Luke’s Health Network, Inc. and Controlled Entities**  
**Notes to Consolidated Financial Statements**  
**June 30, 2020 and 2019**

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Scheduled maturities, assuming no amounts are tendered that cannot be remarketed, for the years ending June 30 are as follows:

Fiscal Year	Long-Term Debt
2021	24,646,505
2022	22,870,802
2023	18,212,167
2024	17,797,426
2025	18,268,247
2026	18,016,591
Thereafter	<u>859,965,884</u>
	979,777,622
Less: Amount of unamortized bond discount/premium/imputed interest	<u>(29,839,000)</u>
	<u>\$ 1,009,616,622</u>

The Network reported long-term debt of \$988,937,070 and \$847,962,378 for years ended June 30, 2020 and 2019, respectively.

**Hospital Revenue Bonds, Series 2010**

On May 13, 2010, the Northampton County General Purpose Authority issued \$69,730,000 of its Hospital Revenue Bonds. The \$69,730,000 Northampton County General Purpose Authority Hospital Revenue Bonds, consisting of \$24,415,000 aggregate principal amount of Hospital Revenue Bonds Series 2010A (Saint Luke’s Hospital Project), \$10,390,000 aggregate principal amount of Hospital Revenue Bonds Series 2010B (Saint Luke’s Hospital Project) and \$34,925,000 aggregate principal amount of Hospital Revenue Bonds Series 2010C (Saint Luke’s Hospital Project). The 2010 Bonds are issued under that certain Loan and Trust Agreement, dated as of June 1, 2008 by and among the Northampton County General Purpose Authority, Saint Luke’s Hospital of Bethlehem, Pennsylvania and Wells Fargo Bank, National Association, as trustee, as amended and supplemented by a First Supplemental Loan and Trust Agreement, dated as of May 1, 2010.

The 2010 Bonds were issued to provide funds for the refunding of previous bond offerings, the construction and equipping of a medical office building on the Anderson Campus, and to pay for certain costs and expenses related to the issuance of the bonds.

The Hospital requested that the Authority issue approximately \$29,300,000 of its bonds (the “Private Placement Bonds”) to TD Bank, N.A. in a private placement (the “Private Placement”) to finance capital projects and reimburse the Hospital for expenditures previously made. The Private Placement Bonds are secured by a master note on a parity basis with the 2010 Bonds under the Master Trust Indenture.

**Hospital Revenue Bonds, Series 2013**

On June 27, 2013 the Northampton County General Purpose Authority issued \$65,000,000 of its Hospital Revenue Bonds. Which consists of \$25,000,000 in Series A aggregate principal and \$40,000,000 in Series B aggregate principal with a variable rate. Issued pursuant to a Loan and Trust Agreement by the Authority, SLH and the Bank of New York Mellon Trust, under the Trust Agreement SLH is obligated to make payments to the trustee as assignee of the Authority.

# St. Luke's Health Network, Inc. and Controlled Entities

## Notes to Consolidated Financial Statements

### June 30, 2020 and 2019

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The Series 2013 Bonds were issued to provide a portion of the funds for a project “the 2013 project” consisting of 200 bed expansion of the hospital located at the Anderson Campus, the construction of an administration building at the Anderson Campus, the funding of various capital projects for general SLH purpose, including without limitations, renovations, repairs and acquisitions of related outpatient facilities in Northampton County and Lehigh County, Pennsylvania. Also reimbursement of any cost referred to in clauses, the payment of certain cost and expense in connection with the issuance of the 2013 Bonds.

#### **Hospital Refunding Bonds, Series 2013**

On June 6, 2013 the New Jersey Health Care Facilities Financing Authority issued \$37,410,000 of Refunding Bonds, St Luke's Warren Hospital Obligated group. The proceeds of the 2013 Bonds to St. Luke's Warren Hospital is for the purpose of paying a portion of the cost of a project consisting generally of the current refunding of all the Authority's Revenue Bonds: St Luke's Warren Hospital Issue Series 2012 and the payment of certain cost incidental to the issuance and sale of the Series 2013 Bonds.

#### **Hospital Revenue Bonds, Series 2015**

On February 1, 2015 Pocono Mountains Industrial Park Authority issued \$80,000,000 of its Hospital Revenue Bonds. Issued pursuant to a Loan and Trust Agreement by the Authority, St Luke's Hospital-Monroe Project and the Bank of New York Mellon Trust, under the Trust Agreement SLH is obligated to make payments to the trustee as assignee of the Authority. The net proceeds received upon the sale of the 2015 Bonds will be deposited in the 2015 Project Construction Fund and disbursed from the 2015 Project Construction Fund to finance various costs incurred by St Luke's Monroe in connection with the 2015 Project.

#### **Hospital Revenue Bonds, Series 2016**

On July 1, 2016 the Northampton County General Purpose Authority issued \$215,600,000 of its Hospital Revenue Bonds, Series 2016A (St Luke's University Health Network Project) (“the 2016 Bonds”). Issued pursuant to a loan and Trust Agreement by the Authority, St Luke's Hospital of Bethlehem, Pennsylvania, St Luke's Hospital Anderson campus and the Bank of New York Mellon Trust company.

The 2016 Bonds were issued to provide a portion of the funds for the “2016 Project” consisting of the advance refunding of all portion of the Authority's outstanding Hospital Revenue Bonds Series A of 2008 and the funding of various capital projects.

Under the trust agreement, the borrowers are obligated to make loan payments to the trustee, as assignee of the Authority, at times and in amounts sufficient to pay the principal or redemption price of and interest on, the 2016 Bonds when due and in certain instances. Interest on the 2016 Bonds will accrue at a fixed rates and will be payable on each February 15 and August 15, commencing on February 15, 2017. Interest on the 2016 Bonds will be computed on the basis of 360-day year of twelve 30-day months. The 2016 Bonds are subject to optional, mandatory and extraordinary optional redemption prior to their maturity.

#### **Hospital Revenue Bonds, Series 2018**

On June 6, 2018 the Northampton County General Purpose Authority issued \$150,000,000 of its Hospital Revenue Bonds. Northampton County General Purpose Authority, Saint Luke's Hospital of Bethlehem, St Luke's Anderson Campus and (collectively, the “Borrowers”), The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”) and Merrill Lynch, Pierce, Fenner and Smith Incorporated, as underwriter.

# **St. Luke's Health Network, Inc. and Controlled Entities**

## **Notes to Consolidated Financial Statements**

### **June 30, 2020 and 2019**

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#### **Blue Mountain Hospital Bonds, Series 2012 and 2015**

In February 2012, the Hospital entered into a Loan and Security Agreement (the "2012 Agreement (Gnaden)") with the Carbon County Hospital Authority (the "Authority") whereby the Authority issued, on behalf of the Hospital, \$6,000,000 of tax-exempt Hospital Revenue Bonds, Series of 2012 (the "2012 Gnaden Bonds"). The proceeds of the 2012 Gnaden Bonds were used to refund the 1999 Bonds, establish a debt service reserve fund, and to pay the costs of issuance of the 2012 Gnaden Bonds.

In December 2015, the Hospital entered into a Loan and Security Agreement (the "2015 Agreement") with the Carbon County Hospital Authority whereby the Authority issued, on behalf of the Hospital, \$20,000,000 of tax-exempt Hospital Revenue Bonds, Series of 2015 (the "2015 Bonds"). The proceeds of the 2015 Bonds were used to fund a portion of the Hospital's pension liability, finance renovation and improvements to the existing facilities of the Hospital, finance various other capital improvements, establish a debt service reserve fund, and to pay the costs of issuance of the 2015 Bonds.

#### **Hospital Revenue Bonds, 2017A and 2017B – Financing through TD Bank N.A. and BB&T Community Holdings Company**

On September 20, 2017 the Lehigh County General Purpose Authority issued \$106,070,000 of its Hospital Revenue Bonds via financing through TD Bank N.A \$42,250,000 and BB&T Community Holdings Company \$63,820,000 . The proceeds were used for the redemption of the 2007 Bonds and to pay the costs of issuance of the 2017A and 2017B financing.

#### **Hospital Revenue Bonds, Series 2018C**

On October 1, 2018 the Pocono Mountains Industrial Park Authority issued \$60,880,00 aggregate principal amount of Hospital Revenue Bonds, Series 2018C (St. Luke's University Health Network Project) (Federally Taxable) (The Series 2018C Bonds).

The proceeds of the series 2018C Bonds were used by St. Luke's and other members of the Network to: provide working capital, finance the purchase of equipment and other capital improvements and finance the payment of the cost of issuance of the series 2018C Bonds.

#### **Hospital Revenue Bonds, Series 2017B Bonds**

On September 20, 2017 the Lehigh County General Purpose Authority issued \$63,820,000 Hospital Revenue Bonds, Series 2017B; the Bonds are issued under and initially entitled to the security of the Trust Indenture dated as of December 1, 2017 between the issuer and The Bank of New York Mellon Trust Company, N.A., as trustee. The Authority and the trustee entered into the First Supplemental Trust Indenture dated January 1, 2019.

The purpose of the 2017B Bonds is to provide funds for a project consisting of the redemption and retirement of a portion of the outstanding Lehigh County General Purpose Authority Revenue Bonds, Series 2007 (St. Luke's Hospital Project) and the payment of certain costs of issuance of the Bonds.

#### **Hospital Revenue Bonds, Series 2019 Bonds**

On September 1, 2019 The Bucks County Industrial Development Authority issued \$103,855,000 aggregate principal amount of Hospital Revenue Bonds. The 2019 Bonds are issued under that certain Loan and Trust Agreement, dated as of September 1, 2019 between the Authority and the Bank of New York Mellon Trust Company as trustee. The proceeds of the Bonds will be loaned to St Luke's Hospital, St Luke's Hospital Anderson Campus and St Luke's Hospital Quakertown Campus for the purpose of the reimbursement and financing of the construction, acquisition, renovation and installation of capital improvements or the acquisition and installation of equipment in the facilities.

# St. Luke's Health Network, Inc. and Controlled Entities

## Notes to Consolidated Financial Statements

### June 30, 2020 and 2019

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Interest on the series 2019 Bonds will accrue at a fixed rates and will be payable on each February 15 and August 15, commencing on February 15, 2020. Interest on the Series 2019 Bonds will be computed on the basis of a 360-day year of twelve 30-day months. The Series 2019 Bonds are subject to redemption prior to their maturity.

#### Hospital Revenue Bonds, Series 2020 Bonds

On June 15, 2020 the Northampton County General Purpose Authority issued \$89,555,000 of its Hospital Revenue Bonds. The \$89,555,000 Northampton County General Purpose Authority Hospital Revenue Bonds, consisting of Part C \$3,215,000 aggregate principal amount of Hospital Revenue Bonds, Part D, \$9,705,000 aggregate principal amount of Hospital Revenue Bonds, Part E \$40,210,000 aggregate principal amount of Hospital Revenue Bonds and part F \$36,425,000 aggregate principal amount of Hospital Revenue Bonds. The Bank of New York Mellon Trust Company serves as the trustee and Truist Bank as the lender.

The funds were used for the redemption of 2013 B Bonds, the 2017 A Bonds and the remaining balance of the 2010 Bonds.

### 13. Derivative Financial Instruments

At June 30, 2020 and 2019, the Network had entered into two interest rate swaps to manage its interest rate risk. The swap agreements pay interest at fixed rates and receive interest at variable rates. The notional amount of swap agreements was \$245 million as of June 30, 2020 and \$249 million as of June 30, 2019, respectively. The valuation of these instruments is determined using widely accepted valuation techniques, including discounted cash flow analysis on the expected cash flows of each derivative. This analysis reflects the contractual terms of the derivative agreements, including the period to maturity, and uses observable market-based inputs, including interest rate curves and implied volatilities. The Network also incorporates credit valuation adjustments to appropriately reflect its own credit (risk of loss due to nonpayment) and nonperformance risk (the risk the obligation will not be fulfilled), as well as the credit and nonperformance risk of the counterparty. In adjusting the fair value of the derivative contracts for the effect of nonperformance risk, the Network has considered the impact of netting and any applicable credit enhancements such as collateral postings, thresholds, mutual puts, and guarantees.

The following table outlines the terms and fair values of the interest rate swap agreements that are included in the Consolidated Balance Sheets as of June 30, 2020 and 2019:

	Swap 1	Swap 2
<b>Notional amount at June 30, 2020</b>	\$ 148,450,000	\$ 96,355,000
Effective date	2/21/2007	2/21/2007
Termination date	8/15/2042	8/15/2033
Fixed rate	4.65%	4.56%
<b>Fair value at June 30, 2019</b>	\$ (49,067,308)	\$ (18,108,032)
Unrealized losses	<u>(24,509,543)</u>	<u>(6,100,449)</u>
<b>Fair value at June 30, 2020</b>	<u>\$ (73,576,851)</u>	<u>\$ (24,208,481)</u>

The Network pays fixed rates ranging from 4.56% to 4.65% and receives cash flows based upon percentages of LIBOR, ranging from 2.05% to 2.71%.

**St. Luke's Health Network, Inc. and Controlled Entities**  
**Notes to Consolidated Financial Statements**  
**June 30, 2020 and 2019**

The following tables outline the location and effect of the Network's derivative instruments in the accompanying Consolidated Balance Sheets and Statements of Operations for the years ended June 30:

	<b>Derivatives reported as liabilities</b>			
	<b>2020</b>		<b>2019</b>	
	<b>Balance Sheet Caption</b>	<b>Fair Value</b>	<b>Balance Sheet Caption</b>	<b>Fair Value</b>
Interest rate swaps	Swap contracts	<u>\$ 97,758,332</u>	Swap contracts	<u>\$ 67,175,340</u>
			<b>Amount of (loss) gain recognized in change in net assets</b>	
			<b>2020</b>	<b>2019</b>
<b>Classification of derivative (loss) gain in Statement of Operations and Changes in Net Assets</b>			<u>\$ (30,609,992)</u>	<u>\$ (18,685,702)</u>

The Hospital's derivative instruments contain provisions that require the Hospital to maintain minimum credit ratings from the major credit rating agencies. If the Hospital's rating were to fall below the minimums established, the counterparties to the derivative agreements could demand immediate posting of collateral or termination of the instruments and payment of the derivative agreements in liability positions. No collateral has been required to be posted.

For the years ended June 30, 2020 and 2019, the Hospital incurred and paid interest costs of approximately \$6.0 million and \$4.8 million, respectively.

**14. Net Assets With Donor Restrictions**

Net assets with donor restrictions were available for the following purposes at June 30, 2020 and 2019:

	<b>2020</b>	<b>2019</b>
Purchase of property and equipment	\$ 7,210,420	\$ 7,351,091
Health education	31,118,922	21,128,628
Research and development	451,861	455,141
Unrealized gains on restricted net assets for health care services	<u>24,626,266</u>	<u>24,166,663</u>
	<u>\$ 63,407,469</u>	<u>\$ 53,101,523</u>
Investments to be held in perpetuity, the income from which is expendable to support health care services (reported as other operating and nonoperating income)	\$ 50,879,846	\$ 48,773,527

**St. Luke's Health Network, Inc. and Controlled Entities**  
**Notes to Consolidated Financial Statements**  
**June 30, 2020 and 2019**

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**Endowments**

The Network's endowment consists of approximately \$53,846,148 individual donor restricted endowment funds and \$2,596,705 board-designated endowment funds for a variety of purposes plus the following where the assets have been designated for endowment: split interest agreements, and other net assets. The endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. The net assets associated with endowment funds including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor imposed restrictions.

The Board of Trustees of the Network has interpreted the relevant PA state law as requiring the preservation of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Network classifies as net assets with restrictions, (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The funds remain in the donor-restricted endowment fund until those amounts are appropriated for expenditure of the Network in a manner consistent with the standard of prudence prescribed by relevant PA state law. In accordance with relevant PA state law, the Network considers the following factors in making a determination to appropriate or accumulate endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Network and the donor restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Network
- (7) The investment policies of the Network.

The Network had the following endowment activities during the year ended June 30, 2020 delineated by net asset class and donor-restricted versus Board-designated funds:

Endowment net asset composition by type of fund as of June 30, 2020:

	<b>Without Donor Restriction</b>	<b>With Donor Restriction</b>	<b>Total</b>
Donor-restricted endowment funds	\$ -	\$ 53,846,148	\$ 53,846,148
Board-designated endowment funds	<u>2,596,705</u>	<u>-</u>	<u>2,596,705</u>
	<u>\$ 2,596,705</u>	<u>\$ 53,846,148</u>	<u>\$ 56,442,853</u>

**St. Luke's Health Network, Inc. and Controlled Entities**  
**Notes to Consolidated Financial Statements**  
**June 30, 2020 and 2019**

Endowment net asset composition by type of fund as of June 30, 2019:

	<b>Without Donor Restriction</b>	<b>With Donor Restriction</b>	<b>Total</b>
Donor-restricted endowment funds	\$ -	\$ 51,067,902	\$ 51,067,902
Board-designated endowment funds	<u>105,709,387</u>	<u>-</u>	<u>105,709,387</u>
	<u>\$ 105,709,387</u>	<u>\$ 51,067,902</u>	<u>\$ 156,777,289</u>

Changes in endowment net assets for the year ended June 30, 2020:

	<b>Without Donor Restriction</b>	<b>With Donor Restriction</b>	<b>Total</b>
<b>Endowment net assets, beginning of year</b>	<u>\$ 105,709,387</u>	<u>\$ 51,067,903</u>	<u>\$ 156,777,290</u>
Investment return			
Investment income	262,348	3,016,987	3,279,335
Net depreciation (realized and unrealized)	<u>(9,926,744)</u>	<u>817,847</u>	<u>(9,108,897)</u>
Total Investment return	(9,664,396)	3,834,834	(5,829,562)
Gifts	15,156	1,292,679	1,307,835
Income released to general fund for operations		(1,529,652)	(1,529,652)
Transfer balance of net depreciation			
Transfer balance to funded depreciation	<u>(93,463,442)</u>	<u>(819,616)</u>	<u>(94,283,058)</u>
<b>Endowment net assets, end of year</b>	<u>\$ 2,596,705</u>	<u>\$ 53,846,148</u>	<u>\$ 56,442,853</u>

Changes in endowment net assets for the year ended June 30, 2019:

	<b>Without Donor Restriction</b>	<b>With Donor Restriction</b>	<b>Total</b>
<b>Endowment net assets, beginning of year</b>	<u>\$ 97,925,511</u>	<u>\$ 46,600,085</u>	<u>\$ 144,525,596</u>
Investment return			
Investment income	3,055,599	3,363,475	6,419,074
Net depreciation (realized and unrealized)	<u>4,632,056</u>	<u>2,263,964</u>	<u>6,896,020</u>
Total Investment return	7,687,655	5,627,439	13,315,094
Gifts	96,221	2,425,248	2,521,469
Income released to general fund for operations	-	(1,702,739)	(1,702,739)
Transfer balance of net depreciation	<u>-</u>	<u>(1,882,130)</u>	<u>(1,882,130)</u>
<b>Endowment net assets, end of year</b>	<u>\$ 105,709,387</u>	<u>\$ 51,067,903</u>	<u>\$ 156,777,290</u>

# St. Luke's Health Network, Inc. and Controlled Entities

## Notes to Consolidated Financial Statements

### June 30, 2020 and 2019

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The portion of perpetual endowment funds that is required to be retained permanently either by explicit donor stipulation or by relevant PA State law:

Permanent Endowment	\$ 50,645,840
Mortgage Endowment	<u>234,006</u>
Total endowment assets classified as Net assets with donor restrictions	<u>\$ 50,879,846</u>

#### **Endowment Funds with Deficits**

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the value of the initial and subsequent donor gift amounts (deficit). When donor endowment deficits exist, they are classified as part of net assets with donor restrictions. Deficits of this nature reported in net assets with donor restrictions were \$0 as of June 30, 2020 and 2019.

#### **Return Objectives and Risk Parameters**

The Network has adopted endowment investment and spending policies that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of endowment assets. Under this policy, the return objective for the endowment assets, measured over a full market cycle, shall be to maximize the return against a blended index, based on the endowment's target allocation applied to the appropriate individual benchmarks. The Network expects its endowment funds over time, to provide an average rate of return approximating the S&P 500 Stock Index (domestic portion), MSCI EAFE Index (international portion) and Lehman Brothers Intermediate Government/Corporate Index (bond portion). Actual returns in any given year may vary from the index return amounts.

#### **Strategies Employed for Achieving Investment Objectives**

To achieve its long-term rate of return objectives, the Network relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized gains) and current yield (interest and dividends). The Network targets a diversified asset allocation that places greater emphasis on equity-based investments to achieve its long-term objectives within prudent risk constraints.

#### **Endowment Spending Allocation and Relationship of Spending Policy to Investment Objectives**

The Board of Trustees of the Network determines the method to be used to appropriate endowment funds for expenditure. Calculations are performed for individual endowment funds at a rate of 4.5 percent of a three-year moving average market value with a minimum increase of 0% and a maximum increase of 10% per year over the previous year's spending amount. The total is reduced by the income distributed from the endowment fund in accordance with the preferences/restrictions made by the donors. The corresponding calculated spending allocations are distributed annually by June 30. In establishing this policy, the Board considered the expected long term rate of return on its endowment. Accordingly, over the long term, the Network expects the current spending policy to allow its endowment to grow at an average of 8% percent annually, consistent with its intention to maintain the purchasing power of the endowment assets as well as to provide additional real growth through new gifts.

#### **15. Leases**

The Network leases certain medical buildings, offices and equipment used in its operations. The Network has incurred finance lease liabilities totaling \$2.4 million as of June 30, 2020. Finance

**St. Luke's Health Network, Inc. and Controlled Entities**  
**Notes to Consolidated Financial Statements**  
**June 30, 2020 and 2019**

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lease liabilities and their related assets are omitted from the disclosures below. The remaining lease term of all leases range from one month to sixty-six years.

At June 30, 2020, operating lease ROU assets and liabilities totaled \$173.9 million and \$175.9 million, respectively. The current portion of operating lease liabilities totaling \$26.2 million is included in current portion of operating lease obligations on the Consolidated Balance Sheet at June 30, 2020. The long-term portion, totaling \$149.7 million, is included in long-term operating lease obligations on the Consolidated Balance Sheet at June 30, 2020.

Prior to the adoption of ASC 842, operating lease rental expense was \$31,819,489 for the year ended June 30, 2019.

The components of the lease cost for the year ended June 30, 2020 were as follows:

Finance lease cost	
Amortization of leased assets	\$ 302,797
Interest on lease liabilities	158,745
Operating lease cost	34,498,173
Short-term lease cost	<u>4,818,905</u>
Total lease cost	<u>\$ 39,778,620</u>

Other information related to leases as of June 30, 2020 was as follows:

Supplemental cash flow information:

Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flow for operating leases	\$ 32,520,260
Right of use assets obtained in exchange for new operating lease liabilities	\$ 202,477,161

Weighted average remaining lease term 9.5 years

Weighted average discount rate 3.29%

Future maturities of operating lease liabilities as of June 30, 2020 are as follows:

2021	\$ 32,251,591
2022	27,511,175
2023	22,352,719
2024	21,196,753
2025	18,515,018
Thereafter	<u>87,116,302</u>
Total undiscounted future lease payments	208,943,558
Less: Present value discount	<u>(33,029,004)</u>
Discounted future lease payments	<u>\$ 175,914,554</u>

**St. Luke's Health Network, Inc. and Controlled Entities**  
**Notes to Consolidated Financial Statements**  
**June 30, 2020 and 2019**

As of June 30, 2019, prior to the adoption of ASC 842, the annual and total future minimum lease payments under noncancelable operating leases were as follows:

2020	\$ 33,764,336
2021	29,732,355
2022	24,682,574
2023	20,086,914
2024	18,967,286
Thereafter	<u>92,986,767</u>
Total minimum payments	<u>\$ 220,220,232</u>

**16. Functional Expenses**

The Network provides general health care services to residents within its geographic location. Health care services include functional services such as critical care, trauma and emergency medicine, surgery, cancer and blood disorders, allergy and immunology, autism, cardiology, pain management, nutrition, radiology, pulmonology, rheumatology, and psychiatry. The Network reports certain expense categories that are attributable to more than one health care service or support function. Therefore, these expenses require an allocation on a reasonable basis that is consistently applied. Costs not directly attributable to a function are allocated based on the natural account and the rate from the cost report. Expenses related to providing these services for the year ended June 30 are as follows:

	<b>Year ended June 30, 2020</b>		
	<b>Healthcare Services</b>	<b>General and Administrative Services</b>	<b>Total</b>
<b>Operating expenses</b>			
Salaries and employee benefits	\$ 1,184,386,116	\$ 115,198,406	\$ 1,299,584,522
Purchased Services	148,434,261	14,437,344	162,871,605
Supplies and other	568,837,754	55,327,567	624,165,321
Depreciation and amortization	105,836,955	10,294,150	116,131,105
Interest	<u>33,291,901</u>	<u>3,238,111</u>	<u>36,530,012</u>
Total Operating expenses	<u>\$ 2,040,786,987</u>	<u>\$ 198,495,578</u>	<u>\$ 2,239,282,565</u>
	<b>Year ended June 30, 2019</b>		
	<b>Healthcare Services</b>	<b>General and Administrative Services</b>	<b>Total</b>
<b>Operating expenses</b>			
Salaries and employee benefits	\$ 1,060,773,277	\$ 117,139,378	\$ 1,177,912,655
Purchased Services	134,405,214	14,842,138	149,247,352
Supplies and other	524,883,365	57,961,972	582,845,337
Depreciation and amortization	92,931,398	10,262,255	103,193,653
Interest	<u>29,018,011</u>	<u>3,204,409</u>	<u>32,222,420</u>
Total Operating expenses	<u>\$ 1,842,011,265</u>	<u>\$ 203,410,152</u>	<u>\$ 2,045,421,417</u>

**St. Luke's Health Network, Inc. and Controlled Entities**  
**Notes to Consolidated Financial Statements**  
**June 30, 2020 and 2019**

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**17. Liquidity and Availability**

The table below represents financial assets available for general expenditures within one year at June 30, 2020:

	<b>2020</b>
Cash and cash equivalents	\$ 315,796,451
Short term investments	163,651,030
Other unrestricted investments	697,488,623
Patient accounts receivable, net	181,103,651
Due from others, current portion	31,681,446
Assets whose use is limited	
By donors or grantors for:	
Pledges receivable	19,026,762
Other assets	<u>20,006,486</u>
	<u>\$ 1,428,754,449</u>

The table below represents financial assets available for general expenditures within one year at June 30, 2019:

	<b>2019</b>
Cash and cash equivalents	\$ 100,693,579
Short term investments	197,921,758
Other unrestricted investments	384,966,321
Patient accounts receivable, net	207,714,461
Due from others, current portion	16,959,148
Assets whose use is limited	
By donors or grantors for:	
Pledges receivable	13,120,709
Other assets	<u>19,401,564</u>
	<u>\$ 940,777,540</u>

The Network has certain board-designated assets limited to use which are available for general expenditure within one year in the normal course of operations. Accordingly, these assets have been included in the qualitative information above for financial assets to meet general expenditures within one year.

As part of the Network's liquidity management plan, cash in excess of daily requirements is invested in short-term and long-term investments. Investment decisions are made based on anticipated liquidity needs, such that financial assets are available as general expenditures, liabilities, and other obligations come due.

As of June 30, 2020, the Network was in compliance with financial covenants.

**St. Luke’s Health Network, Inc. and Controlled Entities**  
**Notes to Consolidated Financial Statements**  
**June 30, 2020 and 2019**

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**18. Pension Plan**

**Defined Benefit Plan**

The Network entities have a noncontributory defined benefit pension plan (“Plan”) covering substantially all employees of the Network who were hired prior to January 1, 2009 (see New Pension Plan 401(a) note below). Plan benefits are based on years of service and the employee’s average annual earned income during the highest 60 consecutive months in the last ten years of credited service prior to retirement or termination. The Network’s policy is to fund annually at least the minimum amount required by the Employee Retirement Income Security Act of 1974.

The Network began a process of de-risking the defined benefit retirement plan during the fiscal year ended June 30, 2019. During fiscal year 2019, the System entered into several definitive agreements with insurance companies, which included the purchases of single premium group annuity contracts. Accordingly, the insurance companies assumed the obligation to make future annuity payments to retirees in amounts equal to the individual’s pension benefit.

In connection with a redesign of the network’s retirement plans, the Finance Committee of the Board approved amendments to end benefit accruals in the qualified defined benefit pension plan after December 31, 2014. Benefits earned by participants under this plan prior to January 1, 2015 were not affected.

**Savings Plan**

In 2007, St. Luke’s Warren established a 401(k) plan for qualified employees. Contributions to this plan are based on a defined formula of 3% of an employee’s contribution. The St. Luke’s Warren 401(k) plan was merged with the Network 401(a) plan as of January 1, 2014.

**401(a) Plan**

All employees hired before January 1, 2009 remain participants in the noncontributory defined benefit pension plan (see Pension Plan, above) through December 31, 2014. At that time, all employees will be moved to the 401(a) Plan.

All employees hired after January 1, 2009, are provided with a defined contribution plan 401(a) of which St. Luke’s will contribute a percentage of the employee’s salary based on the employee’s years of service as follows:

<b>Years of Service</b>	<b>% of Annual Salary</b>
1 through 5	2.5 %
6 through 10	4.0 %
11 through 15	5.5 %
16+ years	7.0 %

The Network has recorded a reserve of \$57,586,087 for the year ended June 30, 2020. This liability is included in accrued compensation payable on the 2020 consolidated balance sheet.

**Retirement Plan 401(k)**

As of January 1, 2009, a 401(k) retirement savings plan replaced the 403(b) retirement savings plan for employees of St. Luke’s HomeStar Services, LLC, a for-profit organization.

**St. Luke's Health Network, Inc. and Controlled Entities**  
**Notes to Consolidated Financial Statements**  
**June 30, 2020 and 2019**

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**Pension Plan Financial Components**

The net pension cost for all Plans and Plan participants during the years ended June 30, 2020 and 2019, includes the following components:

	<b>2020</b>	<b>2019</b>
<b>Change in benefit obligation</b>		
Benefit obligation at beginning of year	\$ 667,959,050	\$ 648,659,590
Interest cost	24,299,008	27,706,367
Plan settlements	(97,239)	(49,343,764)
Benefits paid	(21,261,816)	(24,760,507)
Actuarial loss (gain)	59,539,299	65,697,364
Benefit obligation at end of year	<u>\$ 730,438,302</u>	<u>\$ 667,959,050</u>

	<b>2020</b>	<b>2019</b>
<b>Change in plan assets</b>		
Fair value of plan assets at beginning of year	\$ 647,573,689	\$ 634,089,014
Actual return on plan assets	107,677,200	76,474,182
Employer contributions	97,239	11,114,764
Plan settlements	(97,239)	(49,343,764)
Benefits paid	(21,261,816)	(24,760,507)
Fair value of plan assets at end of year	<u>\$ 733,989,073</u>	<u>\$ 647,573,689</u>
Unfunded status at end of year	\$ 3,550,771	\$ (20,385,361)

Amounts recognized in the Consolidated Balance Sheets consist of:

	<b>2020</b>	<b>2019</b>
Current liabilities	\$ (48,708)	\$ (97,242)
Noncurrent liabilities	<u>3,599,479</u>	<u>(20,288,119)</u>
Net amount recognized in statement of financial position	<u>\$ 3,550,771</u>	<u>\$ (20,385,361)</u>

Amounts recognized in unrestricted net assets consist of:

	<b>2020</b>	<b>2019</b>
Unrecognized net loss (gain)	<u>\$ 127,538,506</u>	<u>\$ 149,802,131</u>
Accumulated other comprehensive income	<u>\$ 127,538,506</u>	<u>\$ 149,802,131</u>

Information for pension plans with an accumulated benefit obligation in excess of plan assets:

	<b>2020</b>	<b>2019</b>
Projected benefit obligation	\$ 1,616,000	\$ 667,959,050
Accumulated benefit obligation	1,616,000	667,959,050
Fair value of plan assets	N/A	647,573,689

**St. Luke's Health Network, Inc. and Controlled Entities**  
**Notes to Consolidated Financial Statements**  
**June 30, 2020 and 2019**

Components of net periodic benefit cost and other amounts recognized in unrestricted net assets:

	<b>2020</b>	<b>2019</b>
<b>Total pension benefit cost</b>		
Interest cost	\$ 24,299,008	\$ 26,783,998
Expected return on plan assets	(28,635,529)	(30,878,471)
Amortization of net (gain) loss	2,745,001	3,021,352
Settlement loss recognized	16,252	11,001,231
Net periodic benefit cost	<u>\$ (1,575,268)</u>	<u>\$ 9,928,110</u>

Other changes in plan assets and benefit obligations recognized in unrestricted net assets:

	<b>2020</b>	<b>2019</b>
Net (gain) loss	\$ (19,502,372)	\$ 21,421,714
Amortization of loss (gain)	<u>(2,761,253)</u>	<u>(14,022,583)</u>
Total recognized in unrestricted net assets	<u>(22,263,625)</u>	<u>7,399,131</u>
Total recognized in net periodic benefit cost and unrestricted net assets	<u>\$ (23,838,893)</u>	<u>\$ 17,327,241</u>

The estimated net loss, transition obligation and prior service cost for the defined benefit pension plans that will be amortized from unrestricted net assets into net periodic benefit cost over the next fiscal year are \$1,863,047, \$0 and \$0, respectively.

Weighted-average assumptions used to determine benefit obligations:

	<b>2020</b>	<b>2019</b>
Discount rate	3.04 %	3.74 %
Rate of compensation increase	N/A	N/A

Weighted-average assumptions used to determine net periodic benefit cost:

	<b>2020</b>	<b>2019</b>
Expected long-term return on plan assets	4.50 %	5.25 %
Discount rate	3.70 %	4.35 %
Discount rate - Blue Mountain	N/A	4.03 %

**Plan Assets**

The St. Luke's Pension Plans weighted-average asset allocations at June 30, 2020 and 2019, by asset category, are as follows:

<b>Asset Category</b>	<b>Plan Assets at June 30</b>	
	<b>2020</b>	<b>2019</b>
Equity securities	8 %	14 %
Debt securities	92	86
	<u>100 %</u>	<u>100 %</u>

**St. Luke’s Health Network, Inc. and Controlled Entities**  
**Notes to Consolidated Financial Statements**  
**June 30, 2020 and 2019**

The Investments are broadly diversified in assets which over time provide the opportunity for appreciation and rising levels of income. The precise mix of assets is determined jointly by the Investment Committee and recommended to the Board of Trustees. The Investment Committee has discretion over the selection of individual securities and the weighting of the investments.

**Cash Flows**  
**Contributions**

The network expects to contribute \$48,708 to its pension plans in the 2021 fiscal year.

**Estimated Future Benefit Payments**

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

2021	\$ 24,696,133
2022	26,425,535
2023	28,070,996
2024	29,775,750
2025	32,500,523
2026-2030	173,179,581
	<u>\$ 314,648,518</u>

The following table presents the Plan’s financial instruments as of June 30, 2020, measured at fair value on a recurring basis using the fair value hierarchy defined in Note 9:

	<b>Quoted Prices in Active Markets (Level 1)</b>	<b>Total Fair Value</b>
<b>June 30, 2020</b>		
Investments		
Mutual funds	<u>\$ 292,913,811</u>	<u>\$ 292,913,811</u>
Total investments	<u>\$ 292,913,811</u>	<u>\$ 292,913,811</u>

Pension Assets valued at NAV \$441,075,262

**19. Insurance Coverage**

Effective December 13, 2001, the Parent, established St. Luke’s Health Network Insurance Company; a wholly-owned captive insurance company licensed by the State of Vermont providing claims-made coverage for professional and general liability coverages for the Network. St. Luke’s converted its fronted captive to a risk retention group (“RRG”) effective July 1, 2003. On January 1, 2005, the RRG was converted from a nonprofit risk retention group to a reciprocal risk retention group. As a reciprocal risk retention group, the St. Luke’s Health Network Insurance Company is also permitted to provide primary medical professional liability coverage on an occurrence basis to independent physicians and physician’s practices. Under this structure, each insured is a subscriber of the St. Luke’s Health Network Insurance Company, a Reciprocal Risk Retention Group (“SLHNIC”). Only subscribers of the St. Luke’s Health Network will be issued Class A subscriber units. Class A Subscribers of SLHNIC maintain control over SLHNIC. At June 30, 2020 and June 30, 2019, the Network was covered through the SLHNIC by a Hospital Professional Liability policy, with primary limits of \$500,000 for each medical incident and \$2,500,000 in the

# St. Luke's Health Network, Inc. and Controlled Entities

## Notes to Consolidated Financial Statements

### June 30, 2020 and 2019

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aggregate for Pennsylvania Mcare Fund eligible institutions and with Physicians Professional Liability coverage with primary limits of \$500,000 for each medical incident, and \$1,500,000 in the aggregate for Pennsylvania Mcare Fund eligible practitioners. The subscriber A program is claims-made coverage. The Subscriber B program is occurrence-based coverage. SLHNIC provides Non-Mcare Fund eligible Subscriber A insureds with primary coverage of \$1 million for each medical incident and \$3 million in the aggregate. The reserve for malpractice claims maintained at June 30, 2020 and 2019 was approximately \$50,209,147 and \$45,077,580 and was estimated using a discount rate of 4.25% and 4.25%, respectively. The discount for Class A and Class B subscribers was \$7,074,696 and \$6,936,753 for June 30, 2020 and 2019, respectively.

St. Luke's Health Network has recorded a receivable as of June 30, 2020 of \$26,346,563 for expected insurance indemnifications and a related liability for the accrued claims in the individual financial statements of the hospitals. St. Luke's Health Network has recorded a receivable as of June 30, 2019 of \$22,002,427 for expected insurance indemnifications and a related liability for the accrued claims in the individual financial statements of the hospitals. The insurance receivable amounts are included in other assets in the respective balance sheets.

The Network participates in the Medical Care Availability and Reduction of Error ("Mcare") Fund, which is a Pennsylvania governmentally authorized entity that for fiscal year 2020 covers claims above \$500,000 per medical incident up to \$2,500,000 aggregate per hospital/insured physician subject to Mcare Fund coverage, as applicable. The assessment for the Mcare Fund payable by the Network is based on the schedule of occurrence rates approved by the Insurance Commissioner of Pennsylvania for the Pennsylvania Professional Liability Joint Underwriting Association ("JUA") multiplied by the annual assessment percentage. The Network recognizes its assessment as expense in the period incurred.

The Network maintains accrued insurance reserves for its self-insured portion of expected workers' compensation claims of approximately \$10,700,366 and \$8,990,915 for the years ended June 30, 2020 and 2019, respectively. The impact of the discount was \$1,751,358 and \$2,198,539 for the years ended June 30, 2020 and 2019, respectively.

#### **20. Deferred Compensation**

The Network maintains a 457 Deferred Compensation Plan. This plan is designed to permit certain employees to defer receipt of portions of their compensation, thereby delaying taxation on the deferral amount and on subsequent earnings until the balance is distributed. The Network has fully funded the obligation under the plan. The Network has recorded an asset and a corresponding liability of \$43,832,611 and \$38,145,857 for the years ended June 30, 2020 and 2019 respectively. The assets and corresponding liabilities are included within Accrued Compensation Payable.

#### **21. Goodwill**

Goodwill recorded on the consolidated statements of financial position at June 30, 2020 and 2019 totaled \$81,062,089 and \$80,195,038, respectively. The Network's goodwill consists of the excess of purchase price over the fair value of identified net assets of businesses acquired. The Network performed its annual test on April 30th and concluded that no impairment was necessary.

**St. Luke’s Health Network, Inc. and Controlled Entities**  
**Notes to Consolidated Financial Statements**  
**June 30, 2020 and 2019**

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The changes in the carrying amount of goodwill for the Network for the years ended June 30, 2020 and 2019 are as follows:

<b>Balance as of June 30, 2018</b>	\$ 72,779,506
Goodwill additions during the year	7,415,532
Goodwill impairment during the year	<u>-</u>
<b>Balance as of June 30, 2019</b>	80,195,038
Goodwill additions during the year	867,051
Goodwill impairment during the year	<u>-</u>
<b>Balance as of June 30, 2020</b>	<u>\$ 81,062,089</u>

**22. COVID-19 Pandemic**

In January 2020, the World Health Organization declared the novel strain of coronavirus (“COVID19”) a Public Health Emergency of International Concern. The COVID-19 pandemic has caused a disruption to our nation’s healthcare system. Such disruption includes reduction in availability of staffing and reductions in the availability of personal protective equipment to prevent spread of the disease during patient treatment. During the initial stages of the COVID-19 outbreak in the Lehigh Valley region in March 2020, and for several months thereafter, elective procedures were postponed in order to prepare for the increased volume of COVID-19 patients and reduce the risk of exposure to COVID-19. The Network continues to monitor developments and the directives of federal, state and local officials to determine what ongoing precautions, procedures, and protocols need to be followed by the organization. On March 27, 2020, the Federal Government passed the CARES Act (Coronavirus Aid, Relief, and Economic Stimulus Act), which allotted \$175 billion dollars to healthcare providers and suppliers through Medicare reimbursements, grants and other direct federal payments. As of June 30, 2020, the network received \$97,171,306 and recognized \$85,428,449, based on lost revenue calculation, of these funds within “Other revenue” on the Consolidated Statement of Operations and Changes in Net Assets. In addition, the Network received \$221,159,864 of advanced payments from the Centers for Medicare and Medicaid Services (CMS) Accelerated and Advanced Payments Program, which is recorded as Other Current Liabilities on the Consolidated Balance Sheet. Furthermore, the CARES Act allowed employers to defer the deposits and payments of the employer’s share of Social Security taxes. As of June 30, 2020, \$11,397,017 was deferred and recorded within “Accrued Salaries, Wages and Taxes” on the Consolidated Balance Sheet.

**23. Litigation**

The Network and its controlled entities are involved in certain litigation which involves professional and general liability. In the opinion of management and in-house counsel, the ultimate liability, if any, will not have a material effect on the consolidated financial condition of the Network and its controlled entities.

**24. Subsequent Events**

The Network has performed an evaluation of subsequent events through October 23, 2020, which is the date the financial statements were issued.

## St. Luke's Health Network, Inc. and Controlled Entities

### Notes to Consolidated Financial Statements

#### June 30, 2020 and 2019

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On September 19, 2020, HHS issued new reporting requirements for the CARES Act provider relief funding. The new requirements first require the Network and its affiliates to identify healthcare related expenses attributable to coronavirus that another source has not reimbursed. If those expenses do not exceed the funding received, the Network and its affiliates will need to demonstrate that the remaining provider relief funds were used for a negative change in calendar year 2020 patient care operating income. *These new reporting requirements are considered a Type 2 subsequent event under ASC 855.*

HHS is entitled to recoup amounts received in excess of the healthcare related expenses plus the negative change in patient care operating income. Due to these new reporting requirements it is reasonably possible that amounts recorded under CARES Act provider relief fund by the Network may change in future periods.

On May 29, 2020, the Network entered into an Asset Purchase Agreement pursuant to which St. Luke's Hospital – Easton Campus, a subsidiary of SLHN, acquired substantially all of the assets of Easton Hospital from Steward Health Care of Dallas, Texas. The effective date of the agreement was July 1, 2020. The asset purchase agreement included a note payable to Steward for \$15 million. The Network recorded the assets and liabilities at FMV which resulted in a bargain purchase of \$14,464,489.

The Network has entered into a non-binding letter of intent to acquire a non-profit organization providing innovative services to address the mental health and substance abuse treatment needs of individuals in our community.

In the Continuing Appropriations Act, 2021 and Other Extensions Act (H.R. 8337), signed into law on October 1, 2020, Congress gave hospitals and other providers that received Medicare Accelerated and Advance Payments ("AAP") one year from when the first loan payment was made to begin making repayments, thus delaying the start of the repayment period from 120 days to one year from when the AAP was issued.