



2 0 1 1 A N N U A L R E P O R T

we believe
IN INSPIRED CARE.



**St. John's
Hospital**

AN AFFILIATE OF HOSPITAL SISTERS HEALTH SYSTEM

Joy • Respect • Care
• Competence • Joy
Respect • Care • C

DEAR FRIENDS AND COLLEAGUES:

We are pleased to share this Annual Report showcasing numerous initiatives in 2011 designed to continue the legacy Mission of St. John's Hospital that began with our sponsoring Sisters in 1875.

This year we fulfilled our Mission by improving access to care with new St. John's Health Centers. It was a busy year at St. John's as we continue our Transformation. We also improved access to care with the development of new highly specialized services including our comprehensive Neurosciences Program. We achieved several national awards for quality which reinforced the quality of care we provide and we completed a very successful Joint Commission survey. We initiated a four year \$172 million investment in our campus to reinforce and strengthen our Mission. We accomplished many significant accomplishments during a time of rapid change in health care.

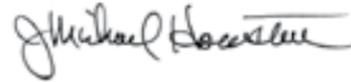
In preparing for the future we also focused on strengthening our partnership with physicians to prepare for the transition in our industry to the delivery of a payment for health care. While we focused on access and delivery of needed health care services, St. John's also committed to improve care in our broader region with the development of St. John's Connect, a regional patient transfer system for patients who need specialty care available at St. John's. Perhaps the greatest statement of our community to care that year was the commitment to provide Inspired Care, it is what we are known for, what we believe in and what we provide.

St. John's is grateful for the privilege to serve our community for the past 136 years. We believe with the continued commitment of our Colleagues, Medical Staff, Friends of St. John's, Samaritans and Board of Directors, we are prepared to continue to provide Inspired Care.

In good health,



Robert Ritz
President/CEO, St. John's Hospital



J. Michael Houston
Chair, St. John's Hospital Board of Directors

Hospital Sisters Health System continues to build on the foundation of compassionate Catholic health care begun by the Hospital Sisters of St. Francis more than 135 years ago. As we build upon our rich heritage of healing, we take inspiration from the story of St. Francis of Assisi who heard the call of God to rebuild His Church.

After hearing God's call, St. Francis took the words literally and grabbed a brick and started filling holes in the walls of the San Damiano church. While St. Francis eventually came to understand that God's message was really about reforming 13th Century Catholicism, he took initiative and addressed an immediate need. In many respects St. Francis began his ministry of caring for the sick and poor by grabbing one brick, and then another, and making a difference in his community.

This story of St. Francis reminds us that we are called to continue to build upon the healing ministry of the Hospital Sisters to meet the challenges before us. His story reminds us that we cannot wait for the implementation of national health care reform, nor can we wait for our state and national governments to balance their budgets. We have to assume responsibility today to address the needs of our patients.

The bricks that we add to our healing foundation come in many shapes. Our "bricks" may be a collaborative initiative to reduce readmissions, a medical home to better manage our patients' chronic conditions, a better process to improve quality, or an innovative curriculum to teach the nurses of tomorrow.

Brick by brick we are transforming our health care ministry. In doing so, we are creating new opportunities to make a positive difference in the lives of those whom we are called to serve.

In this annual report, we celebrate our accomplishments and give thanks for our Franciscan values that inspire and guide us daily. We invite you to grab a brick, and another, and help us to continue the rich legacy of service of the Hospital Sisters of St. Francis.

Sincerely,



Mary Starmann-Harrison
President & CEO, Hospital Sisters Health System

GROWING TO MEET PATIENT NEEDS

Our Vision is to be the preferred provider of health services in our region. At St. John's, we honor our past by imagining our future. This year was an exciting one for us. We marked the 125th Anniversary of St. John's College of Nursing, and began construction on a Master Facility Plan that will transform our entire campus. And thanks to our growth in 2010, people in our community now have greater access to care closer to home.

Investing in our future

We're investing in our facilities – and our community. **In April we officially began demolition of the buildings that will be replaced with a five-story building housing the new surgical services department and related support areas.** The \$161 million campus renovation project will take four years to complete and will involve the construction of the new Surgery Center, as well as a complete renovation of four floors of the patient tower.

“With this campus renovation project, St. John's is taking a lead role in designing patient care systems,” said Dave Olejniczak, Chief Operating Officer. “We want to be responsive to the needs of patients and care providers for many years to come. We're also proud that in doing so we are making a positive economic impact on our community.” The project is expected to create approximately 300 new jobs and could provide a total benefit of approximately \$324 million to the Central Illinois economy.



We can best measure our success by listening to our patients and families. Here is a story from the daughter of a patient, who writes of the inspired care her mother received from Levi Perkins, Jr., a nurse tech in our Neuro unit:

“My 80-year-old mother needed a lot of care while a patient on the 6th floor. She often had to be restrained because she had the heartbreaking signs of dementia and Levi [Perkins], would always talk to her and reassure her everything would be okay... He always checked in on her even if she wasn't his patient for that day.

Many days during that long stay my mom didn't know me, my brother or my sister – but she always knew Levi, and would hold out her arms for a hug. Do you know how that feels to have someone other than family treat your mother with such kindness and real compassion? I hope you never have to, but if you do I hope you are as fortunate as we were to have someone like Levi Perkins to care for your mother.

Thanks to great care at St. John's, today my mom is rehabbing in Gillespie and will soon return to her assisted living facility in Litchfield.

Many times he spoke of his mother and I often wish I could meet her, shake her hand and tell her what a fine job she did in raising such a remarkable son.”

Growing • Caring



Caring for women in a time of crisis

Our Women & Children's Center in the Carol Jo Vecchie Building opened a renovated OB triage and evaluation unit. The new unit focuses on the assessment, diagnosis, care and treatment of expectant mothers – especially those who have a high risk for complications. “Our goal is to offer an environment where pregnant women in medical crisis can be treated with compassion, dignity and respect for their privacy,” said Peggy Curtin, executive director of Women's Services.

Celebrating 125 years of Nursing Education ... and looking forward to the next generation

St. John's College of Nursing, the oldest Catholic nursing school in the country, commemorated 125 years of education with events throughout the year. While we honored our past, we also made great strides toward reaching future goals.

Offered in a hybrid, minimal face-to-face, mostly on-line learning format, our first RN to BSN class was launched for nurses who already have a diploma or associates degree in Nursing. We are also integrating simulation into our curriculum, which is essential to learning in today's technology based environment. This also means we are developing a simulation laboratory to support student learning.



LEADING THE WAY: INNOVATIVE CARE

Our Vision is to provide excellent care to patients – and we're earning national recognition for it. From cardiac to cancer care, in 2010 St. John's won awards for quality and innovation.

Prairie Heart Institute is used to making history – and this year was no different. For the first time, St. John's Prairie Heart Institute has been recognized by HealthGrades for national excellence by simultaneously receiving the:

- Cardiac Care Excellence Award
- Cardiac Surgery Excellence Award
- Coronary Intervention Excellence Award

We're also proud to announce Prairie Heart received the Chest Pain Center Accreditation from the Society of Chest Pain Centers (SCPC), an international organization dedicated to eliminating heart disease as the number one cause of death worldwide.

This year St. John's Hospital was selected as a Blue Distinction Center for spine surgery – another recognition to add to our "Center for Excellence" designations for hip/knee surgery and cardiac care.

St. John's Cancer Institute was one of 90 currently accredited cancer programs across the U.S. to earn the 2010 Outstanding Achievement Award from the Commission on Cancer (CoC) of the American College of Surgeons.

Reaching out to our region

There's no place like home – our patients know it, and so do we. But when care requires patients and families to travel far from home, St. John's is there to make the experience as comfortable as possible. So in January we decided to Connect to our region of referring physicians. We're pleased to say it has been a success.

Connect replaced One Call as St. John's Hospital's regional transfer system. The defining element of Connect is a St. John's-based call center staffed by our own clinical colleagues which connects referring physicians to a dedicated panel of accepting physicians. When referring physicians call, the phone is answered by a nurse here at St. John's who can facilitate the patient transfer quickly and efficiently.

Since its beginning, Connect has been providing assistance to hospitals in Southern and Central Illinois for patients that need to be transferred to a higher level of care. This equates to approximately 416 patients per month that are transferred and treated at St. John's. The top requested services are cardiology, psychiatry, general medicine, pediatrics, critical care and orthopedics. Transfers come to St. John's from over 100 regional hospitals as close as St. Francis Hospital in Litchfield, to Carbondale Memorial Hospital for specialized service.



Serving • Excelling

Developing partnerships with physicians

In 2011, St. John's assumed full ownership of the Prairie Diagnostic Center. Total ownership of the 27,800-square-foot facility means better coordination with the services at the diagnostic center and nearby Prairie Heart Institute.

Because many cardiac diagnostic procedures are done on an outpatient basis today, the Prairie Diagnostic Center allows St. John's inpatient facilities to focus on higher risk procedures. On-time appointments ensure procedures will not be delayed by the need to insert emergency cases in the place of scheduled diagnostic cases. And, in addition to two low-radiation catheterization labs, the Prairie Diagnostic Center at St. John's Hospital houses a Phillip's 64-detector CT scanner for heart and vascular diagnosis.



2011 COMMUNITY BENEFIT REPORT



Respect • Care • Competence
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Charity Care and Certain Other Community Benefits at Cost

YTD FY 2011 (July -June)

Our net community benefit expense for Charity Care at cost was \$8,259,729 (1.8 percent of total expense). Unreimbursed Medicaid cost St. John's \$17,825,635 (3.89 percent of total cost). A combined total of Charity Care and Means-Tested Government programs had net community benefit expense of \$26,085,364 and was 5.69 percent of total cost.

St. John's provided other substantial benefits to our community in FY 2011. Our community health improvement services and community benefit totaled \$575,246. For health professions education we gave \$8,544,393, and provided \$121,577 in subsidized health services. Cash and in-kind contributions to community groups was \$326,686. Our total other benefits were \$9,567,902.

Community Benefit expenses cost \$35,653,266, which is 7.78 percent of St. John's total expenses. Our operating expenses, including bad debt and provider taxes, was \$458,152,762.

100-Year Heart Fair

The 100-Year Heart Fair is a seven-station, daytime health fair tailored for elementary-aged students. During this fair, students rotate through stations in small groups. Stations are designed to teach important lessons about health, wellness, and life skills with a focus on establishing lifestyle habits that will help their hearts last for 100 years. Elementary schools in District 186 and Chatham school district are invited to participate. Educational sessions that make up the 100-year Heart Fair are:

- **Hands on Healthy kiosks.** Kiosks provide students with hands-on, active approaches to learn basic skills to health, wellness and good decision-making.
 - **Yoga.** Through guided movement, students learn the importance of breathing and balance in life.
 - **Fast and Slow.** Through mimicking animals, students move in ways that stretch, strengthen, and lengthen muscles.
 - **Nutrition Facts.** Basic nutrition label reading skills are discussed to enable students to make better, more informed choices.
 - **Balance.** Through color-coordinated, portion-sized puzzle pieces, students gain a better understanding of food groups and portion sizes.
- **Martial Arts.** Master Sunil Suthar guides students through martial arts basics, focusing on Respect of Self and Respect of Others.
- **100-Year Heart.** Students learn and discuss what it takes to have a heart that lasts 100 years.
- **Don't Smoke!** Students learn and discuss the dangers of tobacco and are introduced to life skills such as resisting peer pressure, decision-making, and empowerment through knowledge.

A total of 5,921 elementary-aged students participated in the 100-Year Heart Fair in FY '11.



Caring • Supporting

Indigent Medication Program

From July 1, 2010 to June 30, 2011, St. John's provided 232 medications for 161 indigent patients.

Within the last two years, the Pharmacy professionals at St. John's have developed a specific formulary (a limited list of medications) available to be dispensed to indigent patients. These medications are considered first-line emergent medications, such as: antibiotics, seizure medications, and rescue inhalers.

Kohl's Kids 'n Control

For the second year, St. John's has worked to improve the health of young people in Central Illinois. Kids 'n Control is a public awareness campaign sponsored by St. John's Children's Hospital, genH (generation Healthy), and Kohl's Department Stores. The campaign provides nutrition and physical activity resources to children, families, and teachers. Our goal is to help kids take control of their health through learning healthy eating habits and getting the recommended 60 minutes of daily physical activity.

On Saturday, July 23, 2010 St. John's Children's Hospital teamed up with genH, Kohl's Cares for Kids, and Springfield Tri Club to bring the Kids 'n Control Triathlon to Lincoln Park. One hundred forty-three kids ages 5 - 13 swam 100 meters in the Nelson Center pool, biked one and a quarter miles around the park and then ran half a mile to the finish line.

Moving • Helping

WIC Farmers Market

Once again, St. John's partnered with the Sangamon County Health Department and the Downtown Farmers' Market to bring fresh produce to WIC clients. Six hundred families received reusable bags stuffed full of locally grown produce. Participants were provided with instructions on how to clean and prepare the veggies, as well as recipe cards for healthy family meals.

Family Health Fairs

St. John's partners with Springfield School District 186 elementary schools and the genH coalition to bring a night of education and free screenings to families. During the 2010 - 2011 school year, St. John's provided free cholesterol, glucose, blood pressure, and body composition screening and testing to 1,432 adults through the Family Health Fairs.

Bone Density Screenings

Osteoporosis education programs are designed to promote awareness and increase knowledge about preventing bone loss. St. John's Hospital is meeting this need by providing osteoporosis awareness programs and bone density screenings that teach bone density maintenance through exercise, nutrition, and annual screenings

Other venues for osteoporosis screenings/education include the Senior Expo (twice per year), Third Age Living classes (quarterly) and the Illinois State Fair (annually). Regional education takes place in partnership with St. Francis Hospital in Litchfield, Illinois. Bone density screenings are held two times a year in Montgomery County in conjunction with osteoporosis educational programs organized through St. Francis Hospital. A total of 1,573 bone density screenings were provided through our outreach programs.

Better Breathers Club

The Better Breathers Club meets once every month. The group provides a place where resources can be shared with others who may be suffering with lung disease. The Better Breathers Club goal is to provide education, awareness, and a sense of not being alone.



The Garden at St. John's North

For the second year in a row, St. John's Environmental Stewardship committee planted a garden at St. John's North. In the garden grew flowers, as well as tomatoes, carrots, onions, green peppers, lettuce, and spinach. The produce was donated to the Kumler Outreach Ministries in Springfield. More than 100 pounds of produce was donated.



Real Men Wear Pink

In its fifth year, the "Real Men Wear Pink" campaign once again asked men from throughout Central Illinois to wear pink on Fridays to remind the women in their lives to get their annual mammograms and to highlight the importance of early detection. Despite studies showing that early detection, when followed by appropriate treatment, saves lives and increases treatment options for breast cancer patients, many women still put off or are reluctant to have an annual mammogram. Each year St. John's Hospital and the American Cancer Society work together with the community to encourage women to start having annual mammograms at the age of 40, or earlier if recommended by their doctor.

Providing • Giving

Earth Day Supply Drive

To celebrate Earth Day, St. John's partnered with Hospital Sisters Mission Outreach to collect gently used medical equipment on April 16. Items were collected for supply kits that were sent to Japan (earthquake relief). A trailer of equipment and supplies were donated to benefit people in Haiti, Jamaica, and more than 50 other countries.

Items contributed included walkers, canes, crutches, wheelchairs, commodes, shower seats, soft braces, orthopedic braces, and slings. St. John's and Mission Outreach staff volunteers helped donors unload and load the items into a Mission Outreach truck.

INCREASING ACCESS TO CARE

As an affiliate of Hospital Sisters Health System (HSHS), the Vision of St. John's Hospital is to bring together elements of today's fragmented health care delivery system, provide superior value to patients and promote efficiency. The HSHS Care Integration initiative is our blueprint for achieving that vision.

Thanks to an ever growing network of HSHS Medical Group physicians, people in Central and Southern Illinois have increased access to primary care physicians. And because the HSHS Medical Group physicians are closely aligned with St. John's, patients can rest assured that all participants in their care plan are in active communication with each other.

In 2010 St. John's Hospital began a major partnership initiative with HSHS Medical Group to develop a hospitalist program. Under the leadership of newly selected Chief Physician Executive, Tommy Ibrahim, MD, MHA, the HSHS Medical Group Hospitalist program - St. John's, was launched.



Tommy Ibrahim, MD, MHA

Communicating

The Hospitalist program at St. John's grew to 10 providers in just one year. Hospitalists benefit physicians (both specialists and referring), as well as patients and families by working with physicians to coordinate and communicate the care of their hospitalized patients.

Thanks to the Hospitalist program, this year St. John's experienced an increased capacity to accept patients. Helping more people in need of medical treatment is a central tenet of our Mission, and we're glad to find ways to work together to increase access to care.

For our referring physicians, the Hospitalists serve as a conduit for getting correct information communicated when minutes count. Hospitalists coordinate communication between specialists and admitting physicians. That means when doctors send referrals to St. John's, they can depend on our Hospitalist physicians to keep them informed of what is happening with their patients.

And speaking of communication, patients and their families feel more informed with the Hospitalist program. Caring physicians who are actively involved with the patient's care plan keep communication lines open and running. When patients and doctors are all on the same page they can be partners in healing.

Care Integration is about providing an efficient, seamless health care experience for physicians, patients and families. St. John's is proud to be a leader in patient care excellence.

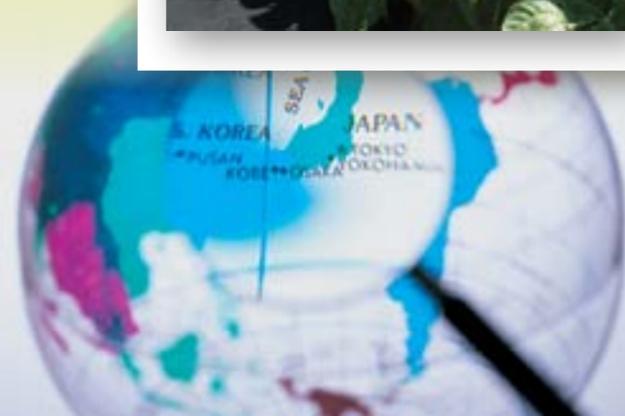
HEALTH CENTERS

To better serve the community close to home, St. John's opened two new Health Center facilities in 2011. St. John's Health Center - South 6th Street opened in February, and the new Panther Creek facility opened in August.

St. John's Health Center - South 6th Street opened February 7. The facility is St. John's largest off-campus building at 28,000 square feet. It houses five St. John's/HSHS Medical Group services - the Center for Pain Management, St. John's Sleep Center, St. John's Women's Center, an imaging center (CT, MRI, ultrasound, mammography, and bone density), and Priority Care which provides care by walk-in and appointment. Priority Care is a member of HSHS Medical Group, and this is their fourth location.

St. John's Health Center at Panther Creek, located at 2801 Mathers Road, opened on March 21. Dr. Michael Nenaber, Dr. Kelly Higgins, both internal medicine physicians, and Dr. Minh Nguyen, family medicine, practice at the site. St. John's Health Center at Panther Creek was the fifth St. John's Health Center to open within a year.

The Health Centers are regional satellite facilities that extend the high quality health care of St. John's Hospital throughout the city and surrounding communities, in partnership with the health care providers of the HSHS Medical Group. The HSHS Medical Group is the physician organization of Hospital Sisters Health System, of which St. John's is also an affiliate.



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STATEMENT OF OPERATIONS

Expenditures to provide healthcare services	\$ 428,958,557
Expenses:	
Salaries and wages	\$ 132,248,405
Staff benefits	41,173,497
Professional fees	35,593,461
Supplies	86,092,159
Depreciation and amortization	23,019,537
Interest	2,310,135
Provision for uncollectible amounts	24,764,458
Other	83,756,905
Collections for health care services	\$ 418,006,558
Revenues:	
Amount generated for taking care of patients	\$ 398,004,360
Foundation assets used for patient services	1,417,493
Other contributions	14,779,009
Investments	3,805,696
Funds invested from reserves to balance budget	\$ 10,951,998
Funds reinvested from reserves for facility and equipment upgrades	\$ 28,905,916

STATISTICAL DATA

	FY 2011	FY 2010
Admissions:		
Adult & pediatrics	18,632	18,744
Nursery	1,594	1,612
Skilled Nursing Facility	854	846
Inpatient days:		
Adult & pediatrics	91,598	91,813
Nursery	3,006	3,026
Skilled Nursing Facility	10,558	10,583
Average length of stay (days):		
Adult & pediatrics	4.92	4.90
Nursery	1.89	1.88
Skilled Nursing Facility	12.36	12.51
Births	1,856	1,883
Emergency Department visits	57,575	56,858
Outpatient registrations (excluding Emergency Department)	183,040	187,544
Surgical cases	14,391	15,534
Personnel	2,882	3,021
Samaritans	767	813
Medical Staff	752	700

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