

A Message TO OUR SLPF FAMILY

In 1955. Dr. Norman Loux founded Penn Foundation with a group of business and community leaders who shared an unwavering focus on establishing a community-based mental health facility to care for our community's needs with compassion and dignity. Their courage and bold vision forged a new model of care that earned national recognition and quickly fueled Penn Foundation's reputation as a behavioral health leader. Through the years, their vision grew and evolved to meet the ever-changing needs of the communities we serve.

Today, the landscape for behavioral health providers has drastically shifted because of rising demand for treatment, increasing competition, lack of equity in reimbursement, and a diminishing workforce. As we navigate this new

landscape, our vision continues to evolve yet again. We are proactively working on new and innovative solutions to ensure that our mental health, substance use disorder, and rehabilitation and residential services are accessible and available to help individuals live their best lives.

This past year, we grew programs and expanded to new communities, improved access to care, provided career advancement opportunities, and recruited and retained quality staff, all of which are critical to keeping pace with the increasing demand for behavioral healthcare. Additionally, we made progress on aligning operations to improve access to mental health and substance use disorder treatment throughout the region.

Despite the challenges we faced, we accomplished much this past year because of our dedicated staff, generous donors, and community partners. On behalf of the individuals and families we serve, thank you for your continued support and trust. You are a vital part of the St. Luke's Penn Foundation family, committed to instilling hope, inspiring change, and building community for the individuals and families we serve.

We recognize that our expertise, sustainability, and reputation for quality have positioned us to adapt quickly, efficiently, and effectively to the changing landscape. Looking to the future, the need for mental health and addiction treatment has never been greater. We are both challenged and inspired by this reality and know that with the continued collaboration and support of the St. Luke's Penn Foundation family, we will remain a leader. 💠





Access TO CARE

THE INDUSTRY CHALLENGE

Access to care was a growing problem prior to the pandemic, and now, COVID has only compounded the challenge. This problem is two-fold with demand rising at record levels coupled with a diminishing workforce. With this low supply of trained professionals and the demand for treatment so high, services are not readily available to those who need them. Wait times are significant, and providers are unable to meet client needs in the moment they reach out for help.

Unfortunately, despite the growing demand for mental health and substance use disorder services, treatment remains out of reach for many individuals. More than one-in-five adults and one-in-six children have a mental health disorder:

16.5% of Americans ages 12 and older live with substance use disorder. Yet, more than half of these individuals do not receive treatment.

The Mental Health Parity and Addiction Equity Act of 2008 mandates equal coverage and benefits for mental health and addiction care, but gaps between insurance coverage and treatment remain and, in some cases, are growing. Insured individuals often have difficulty finding a provider in their insurance network and end up paying high out-of-pocket costs for out-of-network care. For individuals without insurance, accessing and affording care is even more challenging, and they are more likely not to seek help at all.

It is noteworthy to highlight that stigma also remains a significant barrier to accessing treatment for many. Stigma around mental health and substance use disorders has existed for a long time, and while the advancement of science and understanding has reduced stigma, misconceptions can negatively impact an individual's treatment experience or prevent them from seeking treatment at all.

OUR RESPONSE

Over the past year, St. Luke's Penn Foundation worked to address gaps in behavioral healthcare by expanding programs and further integrating its services throughout the entire St. Luke's Network. This has increased access to mental health and substance use disorder treatment, resulting in more comprehensive care and better outcomes.

EXPANDING MENTAL HEALTH SERVICES

Supporting Veteran Mental Health to Prevent Suicide

St. Luke's Penn Foundation received a grant for more than \$530,000 from the U.S. Department of Veterans Affairs to enhance its veteran suicide prevention services in Carbon County. Carbon County is home to 8% of Pennsylvania's veterans and has the highest suicide rate among veterans in the state. Unfortunately, the behavioral health needs of veterans who courageously served our nation have been overlooked too often. But with a focused

program now available, we're already seeing positive change. Since the Victory for Veterans program launched in the spring of 2023, it has served 34 veterans and their families, surpassing the initial goal of 27. Additionally, the program has outreached to more than 350 veterans through community events, places of worship, libraries, the American Legion, and VFWs and has initiated its own outreach events such as Ruck 'n Reflect and Walk with a Vet.

In September 2023, Victory for Veterans expanded its reach to also serve veterans in Schuylkill County.

CCBHC Model of Care Delivery Connects More Individuals to Treatment and Offers Whole-Person Approach*

Now in the second year of a two-year, \$3.9 million grant from the Substance Abuse and Mental Health Services Administration (SAMHSA) to implement the Certified Community Behavioral Health Clinic (CCBHC-E) model of care delivery, St. Luke's Penn Foundation made significant



*This work was supported [in part] by grant number H79SM085161 from the Substance Abuse and Mental Health Services Administration (SAMHSA). The content of this publication does not necessarily reflect the views or polices of SAMHSA or the U.S. Department of Health and Human Services (HHS).



strides in expanding outreach, training staff, and connecting individuals to treatment. Highlights include:

- > Expanded the Advisory Council, which is now 67% comprised of clients or family members of clients
- Connected with 701 individuals to provide information about available programs and provide screenings around trauma and suicide risk; Navigation Services supported 419 of those individuals with connecting to care
- ➤ Trained an additional 119 staff members on topics including trauma, suicide prevention, care management for physical health, leadership, and culturallycompetent care for veterans and activeduty military personnel
- > Expanded care team to include community health workers and a nurse to address the physical needs of mental health clients, with a special focus on diabetes, hypertension, and the social determinants of health; community health workers also provided support to residential clients in addressing their physical health concerns

- > Expanded care team to include a care manager at the Recovery Center to support the physical health needs of individuals receiving substance use disorder treatment and connect them to ongoing care
- > Supported Mental Health Outpatient providers with weekly rounding to address complex care management
- Continued work of multi-disciplinary Veterans Care Committee with specialized training and understanding of best practices of care for veterans and active-duty military personnel
- Advanced quality improvement processes to demonstrate the impact of care integration and care coordination across teams

We are pleased to report that our CCBHC-E grant has been extended for a third year.

St. Luke's Expands Adult Behavioral Health Unit at Quakertown Campus

In March, St. Luke's opened a newly renovated and expanded Adult Behavioral Health Unit at its Quakertown campus. Thirteen beds were added through the

\$6.4 million project, bringing the unit's bed-count to 32. St. Luke's total inpatient mental health licensed bed count is 199.

As we work to improve people's lives through early intervention and prevention, the need for acute care beds remains high. This expansion is aimed to reduce wait times and provide access to high quality services.

Walk-in Crisis Services Now Available at Lehighton Behavioral Health Walk-in Center

Individuals experiencing a non-lifethreatening crisis can now come to the St. Luke's Behavioral Health Walk-in Center in Lehighton. The Center is open 24/7 on weekdays and 16 hours each weekend day. In a safe and welcoming environment, our caring staff teaches individuals the necessary skills to manage their illness, supports them in defining their own goals for recovery, and helps them to feel empowered to make informed decisions about their treatment. In its first year of operation, the Walk-in Center served 577 individuals, diverting 497 clients from more restrictive and expensive inpatient care and Emergency Department visits.

IMPROVING ACCESS TO SUBSTANCE USE DISORDER TREATMENT

Recovery Center Returns to Full Capacity

Three years after COVID forced the Recovery Center to reduce its census for the health and safety of individuals seeking inpatient drug and alcohol treatment, the Recovery Center is once again operating at its full 55-bed capacity. This allows us to connect more individuals to much-needed treatment.

Mobile Engagement Services (MES) Opens New Office in Bristol

Although MES has been serving lower Bucks County for several years, the team opened a new office location in Bristol just this summer. Through funding from the Bucks County Drug and Alcohol Commission, Bucks County Behavioral Health, and Magellan, the MES team has doubled in size and plans to serve 300 individuals in the first year, focusing on older adults, adolescents, and individuals who have acute needs and are often resistant to treatment.

Warm Handoff Program (WHO) Expands to All Network Hospitals and Now Offers 24/7 Admissions

St. Luke's Penn Foundation has expanded its WHO program to all of St. Luke's hospital Emergency Departments. The program works to connect individuals to treatment after arriving in the Emergency Department following an overdose.

Additionally, individuals coming through the WHO program at one of St. Luke's Emergency Departments can now be admitted to St. Luke's Penn Foundation's Recovery Center 24/7. All referrals come to the Recovery Center Admissions team, who coordinates an assessment and connects the individual to services. As a result of 24/7 admissions, more people are connected to timely treatment, and St. Luke's Penn Foundation can provide better treatment outcomes.

BCARES Expands Hours to Ensure Individuals are Connected to Services

BCARES, the Bucks County equivalent of the WHO program, now offers services

from 8:00 am – 12:00 am at Grand View Hospital, Doylestown Hospital, and St. Luke's Upper Bucks Hospital. The program added a third shift position to ensure that more individuals coming into hospital Emergency Departments because of overdoses can be connected immediately to the services they need, including admission to inpatient care.

Reducing Stigma Around Substance Use Disorder

In the fall of 2023, St. Luke's Penn Foundation kicked off a new initiative to provide training to Network Emergency Department staff to help reduce stigma around substance use disorders. The training involves an online educational component, an in-person motivational interviewing component, and a simulation component where staff will be able to put into practice the skills they've learned. We all look forward to the day our services and profession are stigma free.

Collaborating to Enhance the Client Experience and Reduce and Prevent Overdoses

St. Luke's Network has created a new Addiction and Recovery Committee, a multidisciplinary team bringing together all the substance use disorder work being done by all service lines within the Network. The committee is charged with implementing and promoting network-wide initiatives that will improve client care and satisfaction, improve client outcomes, increase client connections, and provide education around stigma.

Additionally, staff from St. Luke's Penn Foundation and the Network are participating on the Lehigh County and Monroe County Overdose Review Teams. Formed in 2023, these teams include members of the public, law enforcement, coroner's office, providers, and others who will work together to decrease and prevent overdose deaths. Northampton County will also be forming an Overdose Review Team in early 2024.



Growing Inequity INADEQUATE REIMBURSEMENT FOR

THE INDUSTRY CHALLENGE

There is a growing inequity in provider payments and network adequacy between mental and physical health. While federal and state laws require parity in coverage between mental and physical health services, mental health services are more than five times as likely to be charged outof-network rates. and in-network provider reimbursement rates are 20 percent higher for primary care than mental health visits.

Insurance companies often employ a "fail first" strategy for mental health services, meaning that an insurance company will cover a more expensive treatment only after an individual shows no improvement through a less expensive treatment. Such strategies delay timely access to care and worsen outcomes. As a result, services are BEHAVIORAL HEALTH SERVICES

often only available when someone is in crisis. With this inequity in reimbursement rates, providers cannot meet basic costs, which in turn means that they can't expand services or hire additional staff.

Additionally, historical fee-for-service payment models are not aligned to the way behavioral healthcare is now delivered. Such models reward quantity over quality and don't consider treatment outcomes. Although adjustments have been made to this model over the years, crisis services, basic outpatient services, recovery-oriented community services, and outreach and care coordination services remain underfunded and do not meet direct costs.

OUR RESPONSE

Like many organizations, St. Luke's Penn Foundation has been faced with rising costs. We have had to increase wages in order to remain competitive in attracting and retaining talent. We have faced challenges in recruiting and retaining nurses, which has led to an increased expense in agency nurses. Record levels of inflation have led to unprecedented costs for goods and services. Additionally, our APA/COVID relief funds were discontinued in December 2022 without an alternative revenue replacement. All of these factors, coupled with flat levels of reimbursement, create a significant financial burden and negatively impact the availability of programs and services.

St. Luke's Penn Foundation has always seized opportunities to advocate for positive change to help our profession receive the attention and funding support it needs to evolve. This past year was no different as we made important strides in our effort to receive fair reimbursement and provide quality care.

- > In September, St. Luke's University
 Health Network and the County
 Commissioners Association of
 Pennsylvania hosted its first Mental
 Health Summit, an event focused on
 sharing information with legislators
 about the growing need for mental
 health services, the challenges that
 providers are facing, and how their
 advocacy and support are critical to
 ensuring that these important services
 are available and accessible.
- > We successfully advocated for significant rate increases for our inpatient addiction withdrawal management, detox, and rehabilitation programs. This comes after several years of minimal increases for inpatient substance use disorder treatment.

- > We continued to move towards a Value-Based Payment model of care, in which we are reimbursed based on the quality of care we provide rather than the quantity of care. Value-based payments give providers the autonomy and creativity to determine what is most clinically appropriate for their clients. They are designed to support providers in delivering the best care in the most efficient way.
 - St. Luke's Penn Foundation currently receives value-based payments for new clients, the prevention of readmissions, and following up with individuals within seven days of their hospital discharge. Additionally, we are participating in a pilot for value-based payments for metabolic monitoring.
- ➤ Charitable giving remains an important part of our strategy to grow and maintain services at adequate levels. †

The 30-day readmission rate for the Recovery Center for FY 23 was

2.1%.

Reduction in PHQ9 score (depression) among clients receiving care at the Recovery Center demonstrates improvement in self-reported symptoms of depression. From January-June 2023, we saw an average reduction in score of 5.29, an improvement of 50% in their score.

Family Based Services provided an average of

3.33 Hours

of service per client per week, achieving their value based metric 100% of the time during FY 23.



A Shifting Landscape DISRUPTION, INNOVATION,

THE PROFESSIONAL CHALLENGE

Behavioral health has been gaining increased recognition as one of the most important areas of healthcare. It is experiencing unprecedented disruption, driven by empowered consumers, cultural change, scientific and technological advancements, increased demand for services yet limited provider availability, retail providers entering the market, and increased adoption of digital healthcare solutions.

In 2022, some of the largest retail and tech companies in America invested billions of dollars in healthcare in an effort to transform the field. Retail clinics have evolved from providing limited, non-emergency care to now providing more

advanced primary care, chronic disease management, and behavioral health. This shift is driven by demand for more convenient, cost-effective care. Retail clinics have seen a 200% increase in utilization over the past five years, higher than urgent care centers, primary care practices, and hospital emergency rooms.

AND NEW CHALLENGES

Emerging digital mental health solutions are offering on-demand, anytime therapy, turning the traditional model of service delivery upside down. Changes in regulations around reimbursement rates for telehealth services and loosening of rules by the Drug Enforcement Administration (DEA) has catapulted the adoption of telehealth and digital health

strategies. This disruption is creating challenges for mental health providers as limited financial resources make it difficult to invest in rapidly changing technology.

OUR RESPONSE

Our response to the changing landscape started ten years ago, in 2013, when the Penn Foundation Board of Directors recognized the need to leverage the strength of partnerships to ensure a bright future for Penn Foundation, the vulnerable clients we care for, the staff we employ, and the community we serve. It was then that the Board embarked on a deliberate process to identify a strategic partner that shared our vision to maintain and

grow a full continuum of mental health and substance use disorder services. This process led to Penn Foundation joining the St. Luke's University Health Network in July 2021, a bold move that has enabled us to respond with innovative solutions, significant investments in staff and services, and an unwavering commitment to serve the behavioral health needs of our community.

Over the past two years, St. Luke's and Penn Foundation have worked collaboratively to leverage resources and expertise to integrate operations and identify treatment needs. We sought feedback from individuals served throughout St. Luke's expansive footprint about the continued need to grow behavioral health services throughout the region. We invested in relationshipswith our clients, payers, community partners, donors, and staff to ensure we understand the needs of our key stakeholders. We secured grants to forge paths forward that would otherwise not have been possible. As a result, we are continuing to move forward boldly to

position St. Luke's Penn Foundation as a leading behavioral health provider.

Our actions over the past two years have been noticed by our local, regional, and national competitors. Other local providers are now beginning to invest in behavioral health services – announcing new inpatient hospitals, new retail-based clinics, and new app and technology-based services.

Although the use of technology in healthcare had been on the rise before the pandemic, it was not commonly used for behavioral health treatment. The pandemic changed that, with telehealth and behavioral health apps such as SilverCloud and Therapy Anywhere offering individuals an even greater choice and flexibility in how they receive their treatment. By offering alternative ways to receive support, we are also reducing barriers to accessing services such as transportation and childcare issues.

As the competitive landscape grows from traditional providers to non-traditional providers, we will keep pace by continuing to invest in access to treatment and



building a strong, integrated service network that positions us as the premier provider of a full continuum of behavioral health services in the region.

RECRUITING AND RETAINING A Quality Workforce

THE CHALLENGE

The U.S. Department of Health and Human Services estimates a deficit of 10.000 mental health professionals around the country by 2025. Although the behavioral health field has been experiencing a workforce shortage for some time, the pandemic has caused that shortage to increase significantly in the past three vears.

Behavioral health has been greatly impacted by the national shortage of nurses and social workers at a time when the need for their expertise is at an all-time high. In the past two years, it is estimated that 100,000 nurses left the workforce and another 900,000 (20%) intend to leave by 2027. It is also estimated that there will be a national shortage of nearly 200,000 social workers by 2030.

The healthcare industry also faces fierce competition for talent. Providers are

competing for a limited pool of skilled individuals. Additionally, healthcare requires workers with special skills and qualifications, which adds to the complexity of recruitment. Finding individuals who possess the right combination of skills, experience, and qualifications can be a time-consuming and challenging endeavor.

Additionally, the availability and use of digital healthcare platforms complicate matters. Professionals can now provide care from home rather than coming into an office. And when hiring, providers need to attract professionals who are not only skilled in traditional practices but also familiar with and adaptable to evolving technology.

OUR RESPONSE

Healthcare recruitment is a complex and highly challenging task requiring thoughtful solutions. It was our Network's number one priority this year. St. Luke's launched a robust, multi-channel marketing campaign titled "We Put the Care in Career" featuring staff from all areas of the Network. This campaign focused on the Network's 150-year history of delivering exceptional patient care and strong safety and quality outcomes, its diverse workforce of more than 19,000 employees, and the many opportunities within the Network for career advancement.

Our actual employees were the faces of the campaign, which highlighted their experiences and career advancement

during their tenure with St. Luke's. It was their smiles, their passion, and their success that helped to shine a light on what makes St. Luke's such a great place to work. The campaign also featured the numerous awards the Network earned as a top workplace:

> St. Luke's was named regionally as a Top Workplaces 2023 by The Morning Call and also earned Top Workplace nationally, in the Philadelphia region, and in New Jersey. It is the only healthcare institution in Pennsylvania and the third-highest ranked healthcare

entity in the nation to be deemed a Top Workplace in 2023.

> St. Luke's was ranked by Forbes as the top Lehigh Valley-based employer and as one of America's Best Employers for Women. St. Luke's was the only employer in the Lehigh Valley to be named to the Best Employers for Women list and was one of only two healthcare employers in Pennsylvania to receive the designation.

As an employer of choice, St. Luke's is able to recruit and retain exceptional staff, which benefits our clients and community.

Recruiting talent from the markets in which we operate is only one way we are working to overcome our current staffing challenges. Another way is by investing in St. Luke's long-term strategy to "grow our own." As part of an academic health network, Penn Foundation has seen firsthand the benefits of investing in training programs, graduate medical education, and more to provide career opportunities to individuals with varying levels of education.

Specific to behavioral health, St. Luke's developed a Behavioral Health Technician (BHT) Training Academy, a full-time, paid, four-week training program designed to provide the foundational education to become a behavioral health technician. Upon successful completion of the training program, graduates are placed into a BHT position within St. Luke's inpatient behavioral health services.

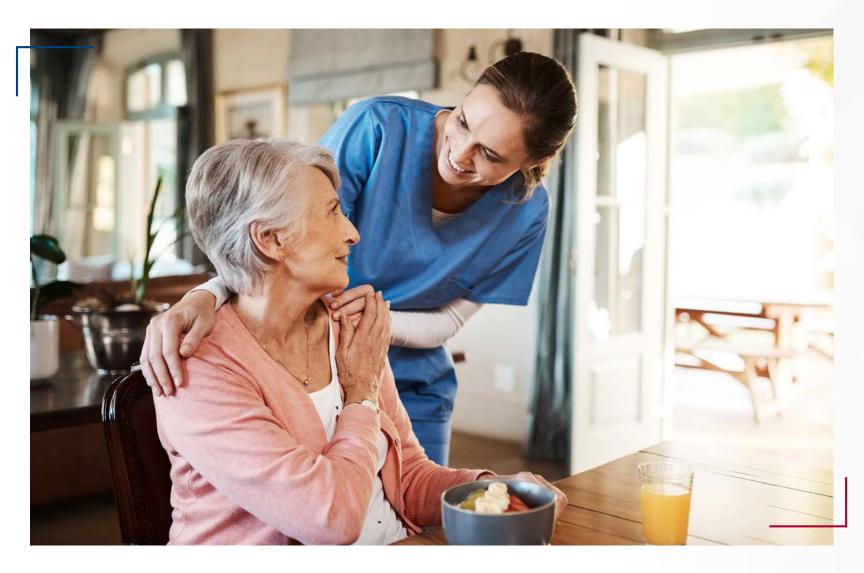
The Temple/St. Luke's School of Medicine and the St. Luke's Psychiatry Residency Program offer aspiring physicians a comprehensive educational experience that touches all areas of psychiatry and addiction - inpatient, outpatient, and



Where job hunting becomes hope.



Pictured (left to right) are Sara Dobson, Program Manager, REACH: Chelsev Phillips, Program Manager, Penn Villa: and Lisa Dembrosky, Psychiatric Rehabilitation Specialist.



community-based. Penn Foundation has benefited from this program as medical students and residents are eager to learn more about community-based mental health and addiction treatment. The goal is to produce competent, compassionate psychiatrists who stay in the region to help meet a growing need for mental health and substance use disorder care.

St. Luke's also continues to invest in the growth and expansion of the behavioral health service line. St. Luke's appointed Dr. James A. James as the new Chair of Psychiatry and Dr. Howard Levin as the Vice Chair of Psychiatry and Behavioral Health, a new position within the department. Both physicians have been with the Network for many years and have been instrumental to the growth of the service line and the education and recruitment of aspiring psychiatrists. Together, their expertise and leadership will help us to navigate the challenging behavioral landscape while remaining a leader in the provision of superior mental health and substance use disorder services.

Another significant development was the establishment of the Division of Addiction and Recovery, a new Division to the Network. This is a major step that positions St. Luke's as a frontrunner in addiction medicine and provides a unique and exciting opportunity for addiction professionals to join a team at the forefront of integrated medicine. St. Luke's Penn Foundation's Medical Director, Dr. Gibson George, has been appointed the Chief of this new Division. As a Fellowship-trained addictionologist, his leadership, experience, and strong understanding of addiction medicine will help propel St. Luke's in its mission to create a national model of substance use disorder treatment and recovery services.

In addition to recruiting and training individuals we can later employ, we are also investing in retaining our highly valued workforce. Annually, St. Luke's Penn Foundation now participates in the Network's Employee Engagement Survey to understand our successes and areas of opportunity. Each year, we are working to enhance our employee experiences and invest in a strong workplace culture. *

I have been delighted to discover the work happening at Penn Foundation.
Recovery services that are patient-centered and community-driven are exactly what we as providers need to serve this part of the population. I hope that Penn Foundation serves as a model for other organizations and individuals seeking to provide better healthcare."

 Ian, fourth-year medical student at the Temple/St. Luke's School of Medicine

My time at Penn Foundation changed my perspective on what is feasible; I now know that it is possible to have a comprehensive continuum of care in one place. This affirms my belief in the importance of offering patients a variety of treatment options. Penn Foundation is the epitome of what you want community psychiatry to look like."

 Amanda, second-year psychiatric resident, St. Luke's Graduate Medical Education program

STATEMENT OF ACTIVITIES

for the Year Ended June 30, 2023

REVENUE, GAINS, AND OTHER SUPPORT

TOTAL	\$ 28,679,069
Medicare	\$ 166,061
Grants	\$ 357,157
Contributions	\$ 675,616
Other Income	\$ 1,266,380
Client Billing and Commercial Insurance	\$ 1,318,123
Medical Assistance	\$ 1,369,865
Health Choices – COVID-19 Relief Funding *	\$ 2,848,502
Fees from Counties	\$ 5,524,987
Managed Medical Assistance	\$ 15,152,377
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EXPENDITURES AND LOSSES

Change in Net Assets	\$ (871,620)
TOTAL	\$ 29,550,688
Non-Operating Expenditures	\$ 2,735,453
Operating Expenditures	\$ 26,815,235

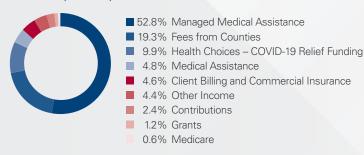
Unaudited Statement

The information included in this statement is unaudited.

*PENN FOUNDATION RECEIVED PANDEMIC RELIEF FUNDING FROM HEALTH CHOICES DUE TO COVID-19

Change in Net Assets	\$ (3,720,122)
Health Choices – COVID-19 Relief Funding	\$ (2,848,502)
Change in Net Assets (as Shown Above)	\$ (871,620)
Without the Relief Funding:	

REVENUE, GAINS, AND OTHER SUPPORT



EXPENDITURES AND LOSSES



LICENSURE

Pennsylvania Department of Human Services

ACCREDITATIONS

Association for Clinical Pastoral Education, Inc. Commission on Accreditation of Rehabilitation Facilities

Clubhouse International

HONORS

Aetna Institute of Quality® Independence Blue Cross Blue Distinction Center Opioid Treatment Center of Excellence

In Memoriam

Penn Foundation lost three beloved family members this past year:

- **Karen Kern**, a Licensed Clinical Social Worker who worked at Penn Foundation for more than 50 years
- David Landis, a member of the Board of Directors for 34 years
- Elizabeth Loux Kraybill, a long-time supporter of Penn Foundation, daughter of Penn Foundation founding Medical Director Dr. Norman Loux, and wife of Penn Foundation Board member Dr. Donald Kraybill
- Karen, Dave, and Elizabeth all left their unique marks on Penn Foundation, and we are so much better for it," says Wayne Mugrauer, SLPF President. "Karen touched so many lives in her more than five decades of dedicated service. Dave's vision and leadership helped us to navigate the unprecedented challenges of a global pandemic. Elizabeth's generous support and commitment to her father's legacy helped to ensure that behavioral health services were available to those in our community who needed them. Karen, Dave, and Elizabeth will forever be part of the Penn Foundation story."







Instilling Hope • Inspiring Change • Building Community

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