



Compassion and Perseverance When We're Needed Most

St. Luke's Annual Report 2020

THE PATIENT. ABOVE ALL ELSE.®



“During 2020, we saw the measure of our people at St. Luke’s. We have never been prouder of our team nor more committed to our mission”

2020 was a year that no one expected. As a once-in-a-generation pandemic swept across the globe, we were far from immune to its effects. It tested all of us, put pressure on our communities, resources, relationships and individual resolves in ways that we couldn’t have imagined. And yet, in the midst of all of this challenge, we saw some of the most inspiring displays of dedication, compassion and care we’ve ever seen. St. Luke’s is who it is because of our people, and as we reflect on 2020, we couldn’t be prouder.

Amidst the challenges of the year, we saw hard work, grace, patience and kindness that led to amazing achievements. Early in the year, we celebrated re-accreditation through DNV-GL Healthcare. We began performing Transcatheter Aortic Valve Replacements (TAVR), a minimally invasive heart valve replacement. St. Luke’s Regional Heart & Vascular Center was honored with three national awards for stroke and heart attack care. St. Luke’s Advanced Wound Care & Hyperbaric Center was recognized with the President’s Circle award from Healogics for the third consecutive year. In addition, we partnered with Minnesota Milk Bank for Babies to open a milk depot that now helps some of the most vulnerable babies in Minnesota.

The major expansion of our Emergency Department, Cardiac Cath Labs and other services into Building A that began in 2019 celebrated its grand opening in August 2020. These new areas provide state-of-the-art spaces and technologies that truly match our care. St. Luke’s is also one of six organizations nationally to participate in the CDC’s RECOVER study on how COVID-19 affects healthcare and frontline workers. This research could eventually have major implications for the treatment of the virus. And in December, in an emotional moment of hope for all of us, we administered our first dose of COVID-19 vaccine to an ICU nurse who had been caring for COVID-19 patients. This began our journey to vaccinating thousands of people throughout the region.

During 2020, we saw the measure of our people at St. Luke’s. We have never been prouder of our team nor more committed to our mission: The Patient. Above All Else.

Thanks to all of that hard work and resilience, we began 2021 on a solid financial foundation and we can take pride in all we’ve accomplished together. More importantly, we’re looking forward with hope for the future.

Sincerely,



Eric Lohn
Co-President/CEO &
Chief Financial Officer



Nicholas Van Deelen, MD
Co-President/CEO &
Chief Medical Officer



Herbert Minke
Board of Directors
Chair

Our Mission

The Patient. Above All Else.

Our Vision

To provide the highest quality healthcare through trusted partnerships with our patients, employees and communities.

Our Values



Compassion: We promote healing and patient-centered care with grace, kindness and empathy.



Quality: We provide excellent care that is evidence based, culturally sensitive, effective and efficient.



Teamwork: We value each other and our diverse talents to promote a supportive working environment, bring out the best in all people, and serve our community with integrity and excellence.



Safety: We protect the physical, emotional and spiritual well-being of our patients and colleagues through open communication, accountability and continuous improvement.

Equal Employment Opportunity and Affirmative Action at St. Luke's

It is the policy of St. Luke's to afford equal employment opportunity to all individuals, regardless of race, color, creed, religion, national origin, gender, disability, age, marital status, familial status, veteran status, genetic information, sexual orientation, membership or activity in a local human rights commission, status with regard to public assistance or any other category as defined by law.

In addition, St. Luke's adheres to the equal employment opportunity requirements and will take affirmative action to ensure that our practices are free of discrimination. St. Luke's commitment to equal opportunity is applied through every aspect of the employment relationship, including, but not limited to, recruitment, selection, placement, training, compensation, promotion, transfer, termination, and all other matters of employment.

Duluth's First Hospital

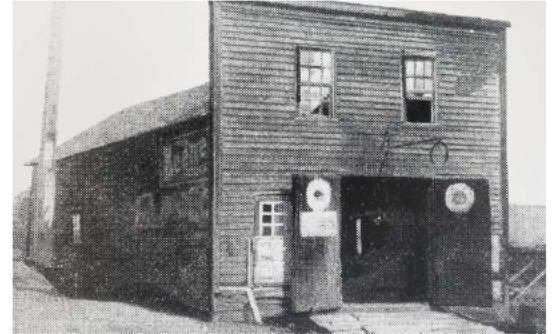
From blacksmith shop to modern healthcare system

At the height of the Victorian era, Duluth was a promising young city that was desperately in need of a hospital. The typhoid outbreak of 1881 finally made it impossible to continue ignoring the void. A small group from St. Paul's Episcopal Church took action.

The humble beginnings of a hospital were set up in an old blacksmith's shop. They called it St. Luke's, and within a month it was so full that patients often had to share a bed. In 1902, St. Luke's moved to the corner of 1st Street and 9th Avenue East where it still stands today, well over a century later.

St. Luke's has grown into a comprehensive healthcare system that serves the communities of northeastern Minnesota, northwestern Wisconsin and the Upper Peninsula of Michigan. St. Luke's includes primary and specialty care clinics, a tertiary and critical access hospital, a Level II Regional Trauma Center to provide emergency care, a nationally recognized heart and vascular center, as well as a cancer center accredited by the American College of Surgeons' Commission on Cancer.

As the close-to-home healthcare provider for many, St. Luke's uses a unique combination of expertise, technology and compassion to provide cost-effective, accessible medical care. We were founded to offer care to all, regardless of race, religion or background. We continue to do that as each doctor, nurse and other St. Luke's staff member strives to live out our Mission every day: The Patient. Above All Else.



Comprehensive Health Care System

Non-profit, 501(c)3
Governed by a community board



St. Luke's Hospital, Duluth, MN
Est. November 18, 1881
267 licensed beds, 18 bassinets



Lake View Hospital, Two Harbors, MN
Est. July 1957, Critical Access Hospital
25 licensed beds



St. Luke's Foundation, Duluth, MN
A 501(c)3 organization that provides innovative support to advance compassionate patient care, research and community health.

Multispecialty Medical Group: 334 physicians and advanced practice clinicians



13 primary care clinics



7 urgent care clinics



30 specialty clinics



eCare online clinic



2 pharmacies



3 Regional Centers: Trauma, Heart & Vascular, Cancer

A Global Pandemic Reaches the Northland



On December 31, 2019, the Chinese government announced it was treating dozens of cases of pneumonia from an unknown cause, a novel coronavirus. Days later, the cause was found and given a name: COVID-19. Less than a month later, the first case was diagnosed in the United States.

On March 11, 2020, COVID-19 was declared a global pandemic. Days later, Minnesota schools and restaurants were closed, businesses moved to remote work, and life was forever changed. Just ten days later, St. Louis County reported its first confirmed case of COVID-19. The pandemic had struck home.

As this pandemic swept through the world, St. Luke's worked to prepare for what might come – what was befalling cities all across the globe: an overwhelming number of patients with critical needs.



Our team rose to the occasion, working tirelessly to take care of our patients and our people during this global crisis. The way patients accessed care was changed dramatically, affecting everything from primary care visits to surgeries and hospitalizations. To keep everyone safe, we adapted everything we do, reimagined our facilities, and developed new ways of caring for people to meet patients where they were and ensure that, despite the challenges, they could get the care they needed.

To help address the pandemic head-on, St. Luke's signed on as one of six organizations nationally to participate in the Centers for Disease Control and Prevention (CDC) RECOVER study. RECOVER stands for Research on the Epidemiology of COVID-19 in Emergency Response and Healthcare Personnel. St. Luke's Infectious Disease Specialist Dr. Harmony Tyner is leading St. Luke's involvement in the study, which could have major implications for the treatment of the virus.



Through all of this, our team stayed strong and was buoyed up by our community, whose generosity was both humbling and inspiring. Donations of food, PPE, masks and so much more poured in to help support our professionals on the front lines.

Then, in December, we shared a moment of tremendous hope by administering our first vaccine against COVID-19. The first recipient at St. Luke's was Intensive Care Nurse Samantha Moder, who had spent months helping COVID-19 patients in our ICU. Before long, all St. Luke's employees were eligible to get vaccinated and we were soon offering the vaccine to our community.

The COVID-19 pandemic has been the single biggest challenge that our organization has seen in its nearly 140 years of operation, and we rose to the occasion. We are moving forward with more hope and determination than ever, honored to be the trusted healthcare provider for people throughout the region.

Building for the Future



St. Luke's New Emergency Department and Cardiac Cath Labs

St. Luke's opened its new Emergency Department (ED) and Cardiac Cath Labs in August 2020 in a ribbon-cutting ceremony that included community members and St. Luke's staff. The \$37.5 million, 17-month project included a new ED, which is triple the size of the previous space and now the premier emergency department in the region. There are 37 exam rooms, which include 27 general treatment rooms, four trauma rooms, four mental health treatment rooms and two triage rooms. In addition, the new ED features a decontamination room with eight stations, a bereavement room and a Sexual Assault Nurse Examiner (SANE) room. St. Luke's also created the region's most technologically advanced Cardiac Cath Labs and CT Scanners, a new cardiac rehabilitation gym, and cardiac diagnostics center. The project included 60,000 square feet of interior construction, plus 70,000 square feet of exterior construction for the parking ramp, ambulance garage and helistop.

In case of emergency, choose St. Luke's

By bringing all these features together, St. Luke's has created an innovative space equipped with the latest technology to best care for patients. "This new ED was really all about improving the experience for our patients, especially when it comes to privacy," said Dr. Amery Robinson, Medical Director of St. Luke's Emergency Department. "We are able to offer our community a calm atmosphere where they can be cared for when dealing with a medical emergency."

To learn more about St. Luke's new ED, visit slhduluth.com/emergency.



Lake View Two Harbors Completes Major Expansion

Lake View in Two Harbors, St. Luke's critical access hospital, celebrated the opening of its major medical campus expansion project with a ribbon cutting ceremony in September, 2020. The \$15 million project connected Lake View Hospital to Lake View Medical Clinic and Lake View Pharmacy, creating one building. The 38,000-square-foot development allowed for a new specialty clinic space, expanded lab services, and an expanded inpatient pharmacy to support future infusion therapy services. The expansion also included a community gathering space for up to 90 people, and can be used for community health education, wellness activities, meetings for area organizations, leadership development and more.

The expansion includes unfinished space to allow for the future expansion of surgical and procedural care and urgent care.

Additional Highlights from 2020



Meeting Patients Where They Are – Telehealth

Providing Safe options for care during the COVID-19 pandemic

In March, 2020, life in Minnesota changed drastically in the hopes of slowing the spread of COVID-19. With the announcement of a shelter-in-place mandate, the normally bustling Northland paused as Minnesotans everywhere stayed home. However, health issues can't be mandated that easily.

Developing new options for visits

To help keep our community safe, St. Luke's offered new ways for patients to get the care they need without having to come into a clinic building. This included telehealth video visits, curbside telehealth video visits and curbside lab draws. Telehealth video visits in particular have been a crucial part of continuing care during the pandemic. "Our biggest concern was that people would get behind in their health care," said Dr. Sandy Popham, St. Luke's nephrologist. "If someone waits too long to deal with an issue, they may not have as good of an outcome. While I love seeing my patients in person, telehealth is a great option."

Requiring only a device with a camera (such as an iPad or smart phone) and an internet connection, telehealth video visits allow patients to see their healthcare provider through video chat. This means issues can be addressed without the patient ever having to leave home. This service works especially well for needs like preventative care, minor health concerns and illnesses, chronic care management and urgent care concerns.



Dr. Roberto Fernandez
St. Luke's Regional Cancer Center

Lisa Hebl, PA-C
St. Luke's Lester River Medical Clinic

Dr. Gretchen Karetz
St. Luke's Pediatric Associates

Dr. Carl Rasmussen
St. Luke's Mount Royal Medical Clinic



St. Luke's Rejuvenation Clinic

Formerly part of St. Luke's Plastic Surgery Associates, St. Luke's Rejuvenation Center opened in 2020 to provide a full range of medical spa services such as massage therapy, injectables, fillers, microdermabrasion, SkinPen, facials, waxing, makeup and skin care. As a medical spa, it offers high-end products and treatments with premium results.

Recent Certifications



DNV-GL NIAHO Accreditation

St. Luke's maintained its Centers for Medicare & Medicaid Services (CMS) recertification through DNV-GL NIAHO accreditation from DNV GL – Healthcare. By earning accreditation, St. Luke's demonstrated that it meets or exceeds patient safety standards set by the U.S. CMS.

ISO 9001 Certification

ISO 9001 is the internationally recognized standard for Quality Management Systems (QMS). It is the most widely used QMS standard in the world, with over 1.1 million certificates issued to organizations in 178 countries. DNV GL's accreditation program is the only one to integrate the ISO 9001 Quality Management System with the Medicare Conditions of Participation.



THE
**COMMITTEE
ON TRAUMA**



Level II Trauma Center

St. Luke's maintained its Level II Trauma Center designation by the Committee on Trauma (COT) of the American College of Surgeons, which recognizes St. Luke's commitment to providing optimal care for injured patients. Verified traumas centers must meet the essential criteria that ensure trauma care capability and institutional performance.



Primary Stroke Center (PSC) Certification and Center of Excellence

This certification is for medium/larger capacity hospitals that admit most patients treated in their facilities, and that also serve as receiving hospitals for patients treated in Acute Stroke Ready (ASR) facilities.

A Primary Stroke Center (PSC) has the necessary staffing, infrastructure, and programs to stabilize and treat most emergent stroke patients. In addition to possessing the capabilities of an ASR facility, a PSC can provide treatment to a broader range of stroke conditions, and is able to provide some acute therapies, and admit the patients to a designated stroke unit or to beds specifically assigned for stroke care.

Recent Certifications

Hip & Knee Replacement Program Certification and Center of Excellence

The Hip & Knee Replacement Program Certification (HKRPC) integrates requirements related to the CMS Conditions of Participation for hospitals (CoPs).

HKRPCs are designed to recognize excellence in orthopedic surgery within the scope of Hip and Knee Replacement and related procedures.

The certification means that a hospital has demonstrated compliance with the DNV GL Healthcare standard and adherence to guidelines of the American Academy of Orthopaedic Surgeons.



St. Luke's Advanced Wound Care & Hyperbaric Center Recognized with President's Circle Award from Healogics for a Third Year

St. Luke's Advanced Wound Care & Hyperbaric Center earned the award by hitting high benchmarks. It achieved exceptional clinical outcomes for 12 consecutive months, including patient satisfaction higher than 92 percent, and a minimum wound healing rate of at least 91 percent within 28 median days to heal. The prestigious President's Circle award is only given to a Center of Distinction with outstanding performance. There were 635 Centers eligible for the President's Circle award, but only a select few achieved the honor.



Perfect Score on Maternity Practices in Infant Nutrition and Care Survey (mPINC)

St. Luke's Birthing Center received the results on its most recent Maternity Practices in Infant Nutrition and Care Survey (mPINC) performed in 2018: a perfect score of 100.

This national survey reviews hospitals in the United States that provide maternity services. Hospitals are scored on aspects of newborn feeding practices like immediate postpartum care, education, discharge support and institutional management. The survey is used to help healthcare organizations improve their care practices and policies to better support maternity patients.

St. Luke's Named Blue Distinction Center for Maternity Care

Blue Cross Blue Shield named St. Luke's a Blue Distinction Center for Maternity Care. Hospitals earn the recognition for delivering specialty care safely and effectively, based on objective quality measures developed with input from the medical community and overall patient satisfaction. The designation helps prospective parents find hospitals that deliver exceptional and affordable maternity care.

Blue Distinction Centers for Maternity Care serve as the foundation for promoting quality maternity care nationally. Research shows that compared to other facilities, those designated as Blue Distinction Centers demonstrate better quality and improved outcomes for patients.

Recent Certifications



St. Luke's Honored with 3 National Awards for Stroke & Heart Attack Care

St. Luke's Regional Heart & Vascular Center was honored with three gold- and silver-level national awards for stroke & heart attack care from the American Heart Association's (AHA) Mission: Lifeline Program. St. Luke's earned the awards for heart attack care for its commitment and success in implementing specific quality improvement measures outlined by AHA for the treatment of patients who suffer severe heart attacks. The award for stroke achievement recognizes St. Luke's dedication to ensuring stroke patients receive the most appropriate treatment according to nationally recognized, research-based guidelines.

St. Luke's Laboratory Earned Recognition from National Organization

St. Luke's Laboratory has earned accreditation from the Accreditation Committee of the College of American Pathologists (CAP).

This recognition is a reflection of the excellent laboratory services offered at St Luke's.

During the CAP accreditation process, designed to ensure the highest standard of care for all laboratory patients, inspectors examine the laboratory's records and quality control procedures for the preceding two years. CAP inspectors also examine laboratory staff qualifications, equipment, facilities, safety program and record, and overall management.



Inpatient Rehabilitation and Stroke Specialty Program

St. Luke's Inpatient Rehabilitation Unit maintained its accreditation as a Comprehensive Integrated Inpatient Rehabilitation Program and as a Stroke Specialty Program, through the Commission on Accreditation of Rehabilitation Facilities (CARF). This represents the highest level of accreditation that can be given to an organization and shows the organization's substantial adherence to the CARF standards. An organization receiving a Three-Year Accreditation has put itself through a rigorous peer review process. It has demonstrated to a team of surveyors its commitment to offering programs and services that are measurable, accountable and of the highest quality.

Recent Certifications

St. Luke's Cardiovascular Rehab Program

St. Luke's maintained its cardiovascular rehabilitation program certification from the American Association of Cardiovascular and Pulmonary Rehabilitation (AACVPR). This certification recognizes St. Luke's commitment to improving patients' quality of life by enhancing standards of care and offering the most advanced practices available.



Baby Friendly Designation

International award for Best Practice in maternity care and Infant Feeding. To become a designated Baby-Friendly facility and be recognized by Baby-Friendly USA represents that a hospital has made a significant effort to ensure babies and moms are set up for success when it comes to feeding, bonding and sleeping. St. Luke's Baby-Friendly designation goes through 2022.

Comprehensive Community Cancer Program Accreditation

St. Luke's Regional Cancer Center maintained its accreditation through The Commission on Cancer (CoC) – American College of Surgeons. Accredited by the Commission on Cancer since April, 1991, St. Luke's Regional Cancer Center takes a multidisciplinary approach to treating cancer as a complex group of diseases that requires consultation among surgeons, medical and radiation oncologists, diagnostic radiologists, pathologists, and other cancer specialists. This multidisciplinary partnership results in improved patient care. CoC accreditation is granted to facilities that are committed to providing the best in cancer care and demonstrate compliance with the CoC Eligibility Requirements and Standards.

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2020 Executive Team

Eric Lohn
Co-President/CEO & Chief Financial Officer

Nicholas Van Deelen, MD
Co-President/CEO & Chief Medical Officer

Katherine Becker
Vice President of Corporate Compliance

Michael Boeselager
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Sue Hamel
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Greg Ruberg
Vice President of St. Luke's,
President & CEO of Lake View

Kimberlie Terhaar
Vice President of Ambulatory Care
& Strategy

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David Hutchinson, MD
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Immediate Past Chief of Staff

Rebekah Beach, MD
Secretary

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Medicine

Mary J. Boylan, MD
Surgery

Amery Robinson, MD
Emergency Medicine

Anne B. Whitworth, MD
Family Medicine

Claire L. Mallof, MD
OB-GYN

Amanda L. Webb, MD
Pediatrics

Michalene Stevermer, DO
Psychiatry

2020 Summary of Revenues (in thousands)

Includes data from both
St. Luke's and Lake View.

Patient Services Revenue	\$1,197,709
Deductions from Revenue:	
Contractual/Other	\$723,353
Patient Financial Assistance	\$3,671
Bad Debt	\$9,136
Other Revenue	\$43,111
Total Revenues Received	\$504,660

2020 Summary of Revenue Uses (in thousands)

Includes data from both
St. Luke's and Lake View.

Salaries/Benefits	\$293,052
Depreciation & Interest	\$22,259
Other Operating Expenses & Reinvestment	\$189,349
Total Revenue Uses	\$504,660

St. Luke's Foundation (in thousands)

Donations	\$1,415
Assets	\$12,618
Grants	\$1,099

2020 Statistical Highlights

Includes data from both
St. Luke's and Lake View.

Admissions	11,229
Births	776
Patient Days	58,576
Emergency/Urgent Care Visits	63,553
Outpatient Registrations	150,344
Number of Surgeries	8,080
Home Health/Hospice Visits	35,370
Clinic Visits	666,415

2020 Community

Includes data from both
St. Luke's and Lake View.

Employees	3,011
Medical Staff & Allied Health Professionals	828
Employed Physicians and Advanced Practice Clinicians	279
Providers Welcomed in 2020	95
Specialties	60+
Volunteers	100