

THE PATIENT. ABOVE ALL ELSE.®



a tradition of  
**HUMANITY**

**ANNUAL REPORT 2008**

# To Our Community

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The year 2008 created unprecedented challenges for nearly every sector of the economy—and health care was no exception. St. Luke's entire team approached these challenges with courage, grace and ingenuity, suggesting ways to help reduce costs and increase revenue, without sacrificing the quality of patient care.

With the help of a three-year grant from the Minnesota Job Skills Partnership, St. Luke's partnered with Lake Superior College to train our employees in a process improvement practice called Lean. Through this process, we are learning to evaluate our services from a patient/customer perspective so we can make improvements that will benefit them. Our goal is to have all St. Luke's staff involved in Lean principles in the next few years.

Learning how to decrease our expenses—without compromising the quality of patient care—required us to make some tough decisions. One of these decisions was to change how we provide emergency helicopter services by joining Life Link III, a non-profit consortium of eight health care organizations in Minnesota and Wisconsin. Several members of the original flight crew of Luke's One, our emergency helicopter service for the past 13 years, joined the Life Link III base in Hibbing, Minnesota. Having helicopter bases in multiple locations throughout the region has enabled us to better serve our patients and communities.

Other noteworthy changes include the addition of several new services, including Q Care, St. Luke's express medical clinic; St. Luke's Orthopedics; St. Luke's Infusion Therapy Clinic satellite pharmacy; and a new minimally-invasive, outpatient hysterectomy procedure.

We are pleased to report that we ended the year with a positive bottom line. But most important, throughout the ups and downs of 2008, St. Luke's employees never lost sight of our mission to put the patient above all else.

Sincerely,



John Strange  
President and CEO



Steven Scignoli  
Board Chair

# Bringing Our Mission to Life

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## A Story of Humanity, Science and Survival

After years of medical school, internships and residencies, followed by more than 13 years as an emergency department physician, Dr. Chris Delp thought he'd seen it all. But on December 27, 2008, the St. Luke's Emergency Services doctor and his team faced a medical emergency without precedent, prior experience or much hope for a full recovery—let alone survival.

That cold December evening, 64-year-old Duluth resident Janice Goodger, who has severe rheumatoid arthritis, had slipped on an icy driveway. Unable to get up, she lay in the frigid snow until her family discovered her four hours later. By the time emergency responders arrived, Goodger had fallen into unconsciousness and hypothermia, and her heart had stopped.

Gold Cross paramedics and Duluth Fire Department crews knew that the heart muscle had to be warmed before it could start beating again—with her body temperature now registering 70 degrees, it was too risky to try shocking the heart into action. For the next hour, they administered CPR to keep the blood circulating in order to prevent damage to the brain and other organs.

Back at St. Luke's, with Goodger's body temperature now at 60 degrees, Delp and his team set up heated IV drips and a machine to pump heated air into her body. Cardiothoracic surgeon Mary Boylan, MD, and her team then drained Goodger's blood, warmed it and then returned it to her. Just two hours later, surgeons gave a shock to the heart muscle and restored it to normalcy. Still, Drs. Delp and Boylan knew there were no guarantees that their patient would survive the night—or if she did, how severe her neurological damage would be.

The next morning, when Drs. Delp and Boylan returned to the hospital, they were completely unprepared for what they saw. Instead of finding their patient on life support, they were greeted by an upbeat, energetic woman who just wanted to see her grandchildren. When asked about her miraculous story of survival, Goodger credits three key factors: her Norwegian heritage, a habit of wearing long underwear, and most important, the quality of care provided by the emergency responders and St. Luke's outstanding medical team. In addition to Drs. Boylan and Delp, the team included Norman Boucher, MD, anesthesiologist; Gina Andrew, certified clinical perfusionist; and other dedicated professionals.

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A smiling Janice Goodger (center) poses with members of her St. Luke's medical team: (left to right) Dr. Norman Boucher, Gina Andrew, Dr. Chris Delp and Dr. Mary Boylan.



# 2008 Accomplishments

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## Two-Year Laboratory Accreditation Awarded by CAP

St. Luke's was awarded two-year accreditation by the Commission on Laboratory Accreditation of the College of American Pathologists (CAP).



## Improving Pharmacy Services for Infusion Patients

St. Luke's opened the Infusion Therapy Clinic (ITC) pharmacy to offer more efficient pharmacy services for infusion patients. Conveniently located in St. Luke's Regional Cancer Center, the ITC pharmacy reduces wait time, increases accuracy and streamlines communication between the pharmacy and ITC nursing staff. The ITC pharmacy was made possible with generous support from St. Luke's Foundation.



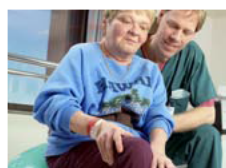
## Q Care Offers Convenient, Accessible Health Care

St. Luke's opened Q Care express medical clinic, located in the Duluth Cub Foods, to offer convenient, affordable, walk-in care for minor health concerns to people of all ages. Staffed by a physician assistant or nurse practitioner, Q Care provides diagnosis and treatment for a wide range of common medical concerns.



## Sleep Disorders Center Receives Accreditation

St. Luke's Sleep Disorders Center received a five-year accreditation from the American Academy of Sleep Medicine by meeting or exceeding the organization's standards of care. Under the leadership of St. Luke's Pulmonary Medicine Associates physicians Vance Bachelder, MD, and Joseph Martinelli, MD, the Center conducts sleep studies for individuals who may be experiencing sleep apnea, insomnia, leg movement disorders or narcolepsy.



## Rehab Program Re-accredited by CARF

St. Luke's Acute Inpatient Rehabilitation Program received a three-year accreditation from the Commission on Accreditation of Rehabilitation Facilities (CARF), the highest rating awarded by the agency. This accreditation reflects the program's outstanding staff, quality of services and commitment to improving the lives of the people it serves.



## Home Care and Emergency Department Receive PRC Awards

Professional Research Consultants (PRC) honored St. Luke's Home Care with a *Five Star Excellence Award for Overall Quality of Care* (top 10 percent nationally), and St. Luke's Emergency Department with a *Four Star Excellence Award for Overall Quality of Care* (top 25 percent nationally). In addition, St. Luke's Home Care was named among the top 25 percent of the 2008 HomeCare Elite, which represents the most successful Medicare-certified home health care providers in the nation.

# 2008 Accomplishments

(continued)



## St. Luke's Earns Governor's Safety Award

The Minnesota Safety Council presented St. Luke's with a Governor's Safety Award for excellence in workplace safety and health. St. Luke's earned the Meritorious Achievement Award for improved safety initiatives and safety awareness of management and staff, and a reduced injury/incident rate as compared to other organizations with the same industry classification.



## Physicians Recognized for Excellence in Diabetes Care

The National Committee for Quality Assurance (NCQA), in conjunction with the American Diabetes Association, reviewed 25 charts representing St. Luke's Internal Medicine and Family Medicine physicians. Physicians who met the criteria for 10 evidence-based health care measures are recognized on the NCQA website, [www.ncqa.org](http://www.ncqa.org).



## St. Luke's Earns Two Patient Safety Excellence Awards

St. Luke's earned two Minnesota Hospital Association (MHA) Patient Safety Excellence Awards for implementing MHA's best practices for the "SAFE from FALLS" and "SAFE SKIN" initiatives. St. Luke's was recognized for its work in preventing patients from falling and from developing pressure ulcers during hospital stays.



## Cardiac and Stroke Care Recognized for Quality Performance

The American Heart Association (AHA) and the American Stroke Association, a division of AHA, recognized St. Luke's performance in treating cardiac and stroke patients using the AHA's Get with the Guidelines<sup>SM</sup> program. St. Luke's was among the hospitals featured in *U.S. News & World Report's* issue on "America's Best Hospitals" (July 21, 2008).



## Full Accreditation Awarded by the Joint Commission

St. Luke's hospital, clinics and Home Care earned full accreditation from the Joint Commission by complying with national standards on health care quality and safety. An independent, non-profit organization, the Joint Commission accredits and certifies more than 16,000 health care organizations and programs nationwide that have achieved certain performance standards.



## Minimally Invasive Hysterectomy Procedure Now Available

St. Luke's and Northland OB/GYN Associates now offer Laparoscopic Supracervical Hysterectomy (LSH) on an outpatient basis, enabling women to return home within 24 hours and resume normal activity in less than two weeks.



## Life Link III Supports Trauma Care Services

St. Luke's joined the Life Link III consortium, a comprehensive transportation system with helicopter bases in St. Cloud, Hutchinson, Eden Prairie and Hibbing (Minnesota) and New Richmond and Rice Lake (Wisconsin).

# 2008 Accomplishments

(continued)



## Medal of Honor Awarded by U.S. Department of Health and Human Services

St. Luke's is one of eight Minnesota-based hospitals and one of 412 nationwide to receive the Medal of Honor from the U.S. Department of Health and Human Services for outstanding work in organ donation.



## Preparing Children for Success in School

Reach Out and Read® is a national reading program designed to build early literacy skills that will prepare children for success in school. At St. Luke's Pediatric Associates, Heather Winesett, MD, the Duluth Chapter's medical director, along with colleagues Gretchen Karstens, MD, Lylan Park, MD, and Noelle Westrum, MD, give books to children during their well-child visits and help parents understand the importance of reading aloud to their kids.



## St. Luke's Clinics Earn COLA Accreditation

Duluth Internal Medicine Associates, Mariner Medical Clinic, Miller Creek Medical Clinic and Mount Royal Medical Clinic were awarded laboratory accreditation by COLA for maintaining standards of quality and accuracy in proficiency testing. COLA is a physician-directed organization that promotes excellence in laboratory medicine and patient care through voluntary education, consultation and accreditation. All St. Luke's clinics are accredited by COLA.



## PET Services Receives Accreditation

St. Luke's Positron Emission Tomography (PET) Services was awarded a three-year term of accreditation by the American College of Radiology (ACR). The ACR has also accredited St. Luke's in Ultrasound, Mammography and CDI (Color Doppler imaging) MRI.



## St. Luke's New Orthopedic Specialty Services Keep People Moving

The physicians at St. Luke's Orthopedics provide expertise in sports medicine and reconstruction of the shoulder, hip and knee. The team of specialists uses state-of-the-art technology and treatments, ranging from fundamental muscle retraining to complex surgeries.

# New Physicians

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**Jay Baker, DO**  
St. Luke's Oncology & Hematology  
Associates



**Jonathan Shultz, MD**  
St. Luke's Emergency Medicine



**Heather Buchholz, MD**  
St. Luke's Dermatology Associates



**Adam Swank, MD**  
St. Luke's Urgent Care



**Daniel Campell, MD**  
St. Luke's Urgent Care



**Benjamin Trok, MD**  
St. Luke's Internal Medicine Associates



**Dennis Klironomos, MD**  
St. Luke's Neurosurgery Associates



**Jason Wall, MD**  
St. Luke's Urgent Care



**Cody Lindsey, MD**  
St. Luke's Psychiatry Associates



**Noelle Westrum, MD**  
St. Luke's Pediatric Associates



**Rachel Nelson, MD**  
P.S. Rudie Medical Clinic

# Leadership

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## BOARD OF DIRECTORS MAY 2008 – MAY 2009

Gail Baldwin, MD  
Ray Christensen, MD  
Patrick Contardo  
Marlene David  
Mark Emmel  
Susan Goltz, MD, *Secretary*  
Melinda Machones, *Vice Chair*  
Debra Messer, *Past Chair*  
Dale Moe, *Treasurer*  
Kathleen Nelson, EdD  
Del Prevost  
Steven Scignoli, *Chair*  
Peter Stephenson  
Kristi Stokes  
Bill Ulland

## EXECUTIVE TEAM

John Strange, *President and Chief Executive Officer*  
Sandra Barkley, *Vice President of Clinics*  
Ron Franzen, *Vice President of Support Services*  
Jo Ann Hoag, *Vice President of Network Development, Chief Nursing Officer*  
James Wuellner, *Vice President of Finance, Chief Financial Officer*  
Gary Peterson, MD, *Medical Director and Vice President of Medical Affairs*  
Brian Carlson, *Vice President and CEO of Lake View Memorial Hospital in Two Harbors*

## 2008 MEDICAL STAFF ORGANIZATION

Nancy English, MD, *Chief of Staff (January-August)*  
Mark A. Monte, MD *Chief of Staff (August-December)*  
Paul Sanford, MD, *Chief of Staff Elect*  
Ann Rock, MD, *Immediate Past Chief of Staff*  
Stephen Hadley, MD, *Secretary*  
Gary Peterson, MD, *Medical Director*

## 2008 MEDICAL DEPARTMENT CHAIRS

Brian Bergeron, MD, *Emergency Medicine*  
Mary Boylan, MD, *Surgery*  
David Kirby, MD, *Family Medicine*  
Maria Kundel, MD, *Pediatrics*  
Elisabeth Revoir, MD, *OB/GYN*  
Paul Sanford, MD, *Medicine*  
Tracy Tomac, MD, *Psychiatry*

## IN MEMORIAM

On August 8, 2008, St. Luke's lost a beloved friend and colleague with the sudden passing of Dr. Nancy English. As St. Luke's Chief of Staff, Dr. English showed genuine care for her patients, and was greatly admired by staff, patients and family members. Dr. English is missed greatly.



# Services

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## MEDICAL & SURGICAL SERVICES

Acute Renal Dialysis  
Allergy and Immunology  
Anesthesiology  
Bariatrics  
Breast Specific Gamma Imaging (BSGI)  
Cardiology  
Cardiothoracic Surgery  
Colorectal Surgery  
Dermatology  
Emergency Medicine/Trauma Care  
Endocrinology  
Family Medicine  
Gastroenterology  
General Surgery  
Infectious Disease  
Internal Medicine  
LASIK Surgery  
Mental Health  
Nephrology  
Neurology  
Neurosurgery  
Obstetrics/Gynecology  
Occupational Medicine  
Oncology/Hematology  
Ophthalmology  
Oral and Maxillofacial Surgery  
Orthopedic Surgery  
Otolaryngology  
Pathology  
Pediatrics  
Physical Medicine and Rehabilitation  
Plastic Surgery  
Podiatry  
Pulmonary Medicine  
Radiation Oncology  
Rheumatology  
Urology  
Vascular Surgery  
VATS (*Video Assisted Thoracoscopic Surgery*)

## DIAGNOSTIC & THERAPEUTIC SERVICES

Anticoagulation Clinic  
Biofeedback/Neurofeedback  
Capsule Endoscopy  
Cardiac Angioplasty  
Cardiac Diagnostics  
Cardiac Rehabilitation  
Chemotherapy  
Coronary CT Angiography  
CT (*Computed Tomography*) Scanning  
Deep Brain Stimulation  
Diabetes Care  
EECP® (*Enhanced External Counterpulsation*)  
Electrophysiology  
Endoscopic Vein Harvesting  
Endoscopy/Proctoscopy/Colonoscopy  
Guided Imagery  
Hand Therapy  
IMRT (*Intensity-Modulated Radiation Therapy*)  
Infusion Therapy  
Laboratory  
Lithotripsy  
Lymphedema Services  
Mammography (*Digital*)  
Massage Therapy  
Mental Health  
MRI (*Magnetic Resonance Imaging*)  
Neurological Screening/Diagnostics  
Neuromuscular Electrical Stimulation (*NMES*)  
Nutrition Counseling  
Occupational Therapy  
Osteoporosis Screening (*DEXA Scan and Heel Ultrasound*)  
Ostomy/Continence/Wound Care  
Pain Management  
PET (*Positron Emission Tomography*) Imaging  
Pharmacy  
Physical Therapy  
Psychological Services  
Pulmonary Rehabilitation  
Radiation Therapy  
Radio-Frequency Ablation  
Radiology  
Regional Breast Center  
Regional Stroke Program  
Regional Vascular Institute  
Rehabilitation (*Inpatient and Outpatient*)  
Respiratory Therapy  
Sleep Disorders Center  
Speech Therapy (*Adult and Pediatric*)  
Stereotactic Radiosurgery  
TMJ Services  
Ultrasound  
Vestibular Rehabilitation Therapy  
Vision Rehabilitation Program  
VNUS Closure for Varicose Veins  
X-Stop® Interspinous Process Decompression

*EECP is a registered trademark of Vasomedical, Inc.*

## COMMUNITY & REGIONAL SERVICES

Childbirth Education  
Child Car Seat Safety Clinics (*Partners: Duluth Fire Department and WDIO-TV*)  
Clinical Experience Affiliations  
Community Health Education  
Continuing Education Programs (*Health Professionals, Physicians and EMS*)  
CPR Training  
Diabetes Education  
Employee Assistance Program  
Fall Prevention Program  
Family Practice Residency Program (*Joint Sponsorship*)  
First Aid Classes  
Home Health Care  
Home Telemonitoring  
Hospice Duluth®  
I Can Cope  
Injury Prevention Programs (*TraumaRoo, EN CARE, Think First*)  
Kids Can Cope  
Life Link III Air Medical Transport  
Medical Home  
Outpatient Surgery Center at Mariner Medical Clinic  
Outreach Education  
Pavilion Surgery Center  
Physician Outreach Education  
Physical Therapy & Fitness Center (*Partners: Mount Royal Pines and St. Ann's Residence, Duluth, MN; William Kelly High School, Silver Bay, MN*)  
Pilates  
St. Luke's Cosmetic Care Services  
St. Luke's Driving Evaluation and Training Program  
St. Luke's International Travel Health Center  
Speaker's Bureau  
Support Groups  
Whiteside Institute for Clinical Research

## FAMILY MEDICINE

Bay Area Medical Clinic, Silver Bay, MN  
Chequamegon Clinic, Ashland, WI  
Denfeld Medical Clinic, Duluth, MN  
Hibbing Family Medical Clinic, Hibbing, MN  
Laurentian Medical Clinic, Virginia, MN  
Mariner Medical Clinic, Superior, WI  
Miller Creek Medical Clinic, Hermantown, MN  
Mount Royal Medical Clinic, Duluth, MN  
P.S. Rudie Medical Clinic, Duluth, MN

## SPECIALTY CARE

All specialty clinics are located in Duluth, Minnesota. Many of the specialists visit St. Luke's primary care clinics on a consulting basis.

St. Luke's Allergy & Immunology Associates  
St. Luke's Anesthesia Associates  
St. Luke's Cardiology Associates  
St. Luke's Cardiothoracic Surgery Associates  
St. Luke's Dermatology Associates  
St. Luke's Duluth Internal Medicine Associates  
St. Luke's Emergency Services  
St. Luke's Endocrinology Associates  
St. Luke's Gastroenterology Associates  
St. Luke's Infectious Disease Associates  
St. Luke's Internal Medicine Associates  
St. Luke's Neurosurgery Associates  
St. Luke's Occupational Health Clinic  
St. Luke's Oncology & Hematology Associates  
St. Luke's Orthopedics  
St. Luke's Pavilion Surgical Associates  
St. Luke's Pediatric Associates  
St. Luke's Physical Medicine & Rehab Associates  
St. Luke's Plastic Surgery Associates  
St. Luke's Psychiatry Associates  
St. Luke's Pulmonary Medicine Associates  
St. Luke's Radiation Oncology Associates  
St. Luke's Rheumatology Associates  
St. Luke's Surgical Associates  
St. Luke's Urology Associates

## URGENT CARE

For the treatment of minor injuries and illnesses which require immediate medical attention.

### Locations:

St. Luke's Hospital, Duluth, MN  
Denfeld Medical Clinic, Duluth, MN  
Mariner Medical Clinic, Superior, WI  
Miller Creek Medical Clinic, Hermantown, MN

## Q CARE, ST. LUKE'S EXPRESS CLINIC

Located in Duluth Cub Foods, Q Care provides people of all ages access to convenient, walk-in care for minor health concerns. A physician assistant or nurse practitioner diagnoses and prescribes treatment for common health concerns. Q Care also offers some on-site lab testing.

# Financials

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## Summary of Revenues (in thousands)

Revenues from Patients/Others .....	\$619,076
Deductions from Revenues .....	\$328,734
<b>Total Revenues Received .....</b>	<b>\$290,342</b>

## Summary of Revenue Uses (in thousands)

Salaries and Benefits .....	\$172,178
Interest .....	\$4,210
Other Operating Expenses .....	\$103,447
Capital Equipment Purchases and Debt Repayment .....	\$10,507
<b>Total Revenue Uses .....</b>	<b>\$290,342</b>

## 2008 Statistical Highlights

Admissions .....	12,586
Births .....	997
Patient Days .....	52,707
Emergency/Urgent Care Visits .....	58,763
Outpatient Registrations .....	147,940
Occupancy Percentage .....	53.9%
Number of Surgeries .....	9,441
Home Health and Hospice Visits .....	17,522
Clinic Visits .....	425,389