

St. Luke's Annual Report 2022

Growing Our Legacy of Quality Healthcare



THE PATIENT.
ABOVE ALL ELSE.®



St. Luke's

The Patient. Above All Else.

Dear Community,

As the first healthcare system in Duluth, we have a rich legacy of providing the highest quality of care to our community. Our commitment to this legacy remains unwavering, despite challenges the healthcare industry has faced in recent years. We are incredibly thankful for all we have accomplished, which enables us to serve our community more effectively with each passing year.

In 2022, we expanded our reach of care and built upon our legacy. We not only grew our service lines, but we also formed a partnership with the St. Louis County Jail to become the regional provider for inmates, ensuring they receive top-quality health care. We also extended our care to Moose Lake through a partnership with Gateway Family Health Clinic to build a new surgery center.

Our commitment to quality care has been recognized through numerous accolades this year, and we are incredibly honored. We are proud to share that St. Luke's achieved the lowest patient fall rates in the entire state of Minnesota. Moreover, esteemed organizations such as the American Heart Association, Press Ganey and U.S. News & World Report have recognized our exceptional care. These awards are a testament to the dedication of our employees and their deep passion for delivering high-quality care.

Looking ahead, we are filled with excitement. Phase II of our Health Forward Initiative is underway. This project is a testament to our ongoing efforts to adapt and expand our services in a thoughtful and economically sustainable manner, ensuring we meet the diverse and evolving needs of those we are privileged to serve.

We are grateful for your ongoing support and trust in St. Luke's. Together, we will continue to make a positive impact on the health and well-being of our region.

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	Quality	Teamwork	Safety

Pillars of Health

			
HEALTH OF OUR PATIENTS	HEALTH OF OUR PEOPLE	HEALTH OF OUR ORGANIZATION	HEALTH OF OUR COMMUNITIES
			

Duluth's First Hospital

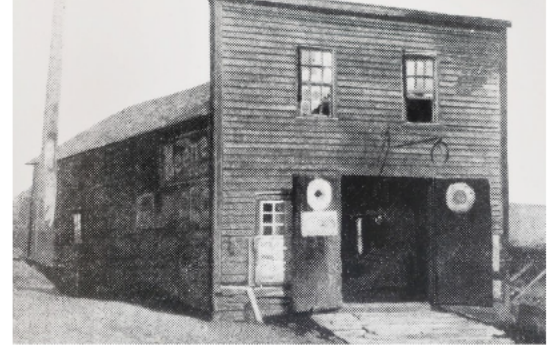
From blacksmith shop to modern healthcare system

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. 1881 | 260+ licensed beds



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



North Shore Health | Grand Marais, MN
Est. 1958 | Critical Access Hospital, 16 licensed beds, 37 skilled nursing facility beds, managed by St. Luke's



Northern Lakes Surgery Center | Moose Lake, MN
Est. 2023 | Partnership between St. Luke's and Gateway Family Health Clinic



2,800+ Employees



300+ Employed Physicians and Advanced Practice Clinicians



850+ Registered Nurses



80+% Patients' Likelihood to Recommend Score



40+ Primary, Specialty and Urgent Care Clinics



3 Regional Centers: Trauma, Cancer, Heart & Vascular



4 Surgery Centers



eCare Online Clinic

Growing Our Maternal Child Health Service Line



We are committed to providing exceptional care to children and mothers in our region. To do this, we continued to grow our Maternal Child Health Service line in 2022. Our biggest investments included assembling a full pediatric hospitalist team to provide 24/7 care and starting to build a new Specialized Care Nursery and a new OB-GYN clinic.

A pediatric hospitalist is a specially trained pediatrician who cares for newborns, kids and teens during their hospital stay. As specialists, they are committed to being on the leading edge of the best hospital-based testing, diagnosis and treatment of pediatric conditions. By adding several pediatric hospitalists to our team, we now offer 24/7 specialized pediatric care for every baby and child who comes to St. Luke's.

We also began the remodeling of our Specialized Care Nursery. We are updating our technology and physical environment to be able to care for infants as young as 32 weeks gestation. One of the most exciting features in

the new space is the private suites. Going from one larger room for all infants who needed specialized care – with space for only short visits from parents – to private suites will be an incredibly positive change. The suites will allow parents to spend more time bonding one-on-one with their newborns who need extra care.

Finally, we started construction on our new OB-GYN Clinic. This \$5.2 million investment is the latest in St. Luke's ongoing Health Forward Initiative, which is focused on redeveloping the campus in a thoughtful, economical and sustainable way. This project involves a complete renovation of the third floor of St. Luke's Lakeview Building to create a new home for St. Luke's OB-GYN Clinic and the Lakeview Lab.

With all these improvements, providers and staff are thrilled to offer a higher level of care to patients. We look forward to the continued growth of our Maternal Child Health Service line.

Partnering with St. Louis County Jail to Provide Enhanced Health Care for Inmates



St. Luke's is honored to have the responsibility of providing health care for inmates at the St. Louis County Jail and Northeast Regional Corrections Center. In November, we started a six-year contract with St. Louis County to provide medical and mental health services. The County was looking for a new provider to offer better access and improve the health care system for inmates.

"Having a hospital that also provides local care, has this expertise and can give a continuum of care really will save lives," said St. Louis County Commissioner Ashley Grimm.

The Duluth branch of the National Association for the Advancement of Colored People (NAACP) called the change in providers, "an enormous step towards equity in the intersection between our health and criminal justice systems."

The new contract will enable St. Luke's to leverage its expertise to better meet the complex needs of inmates.

St. Luke's contract runs through December 2028, beginning with 16-hour daily nursing service. Services will expand in 2024 to include 24-hour nursing service. St. Luke's is also working toward providing 40 hours of mental health services weekly. Plus, St. Luke's supports a medication-assisted treatment program for people addicted to opioids.

In summer 2023, the program will be surveyed by the National Commission on Correctional Health Care (NCCHC) to earn accreditation.

This partnership is greatly expanding the quality of healthcare services available to inmates in our community. It is a meaningful opportunity to work with St. Louis County, and another chance to provide more people with the high-quality care for which St. Luke's is known.

Celebrating 20 Years at St. Luke's Internal Medicine Associates



In May of 2002, 11 doctors left St. Mary's/Duluth Clinic to create a new internal medicine clinic at St. Luke's. The doctors' vision was to create a care model that focused on the relationship between patient and doctor. This new clinic was called St. Luke's Internal Medicine Associates (SLIMA). Fri., May 13, 2023, marked the clinic's 20-year anniversary.

These 11 doctors and the other staff who moved with them contributed to a rapid growth phase for St. Luke's. A vast majority of their patients followed them to St. Luke's and remain St. Luke's patients today.

"The importance of an ongoing, collaborative, long-term patient/doctor relationship is what brought us to St. Luke's, and we still believe it provides people with the best care," said Dr. Timothy Kleinschmidt. "Now our team is even bigger and we're proud to serve more patients in such powerful ways."

SLIMA now includes a diverse group of professionals, including nurse practitioners and behavioral health

specialists, as well as services like diabetes education and medication therapy review. True to its roots, the team at SLIMA continues to provide primary and hospital care.

Their close proximity to the hospital campus allows for enhanced collaboration with specialists on site. Dr. Paul Sanford emphasized the power of relationships between staff and in treating patients the way he and his colleagues would want to be treated. "This has never been a job, but instead is a calling," said Dr. Sanford. "The trust that our patients put in us and in our system is humbling. In the end, the greatest satisfaction is being face-to-face with the patient in an exam room in order to listen to their concerns and work to help them."

Those who have been with SLIMA for most or all of these two decades include Dr. David Arvold, Dr. Timothy Kleinschmidt, Dr. Jay Knuths, Medical Assistant Patti Lufholm, Dr. David Mast and Dr. Paul Sanford.

Building What Matters with the Health Forward Initiative

St. Luke's
**HEALTH
FORWARD**
INITIATIVE



St. Luke's Health Forward Initiative is strategically designed to thoughtfully, economically and sustainably create the healthcare campus of the future. In 2022, we continued moving forward with this initiative by investing in the physical spaces for Outpatient Rehab, Oncology and Hospice Inpatient Unit and Diagnostic Imaging.

Outpatient rehabilitation services moved from St. Luke's Lakeview Building to St. Luke's 9th Avenue Suites at 915 E. 1st Street in September. The new space was completely renovated, offering more space and larger exam rooms.

"This location not only allows for expanded services, but also greater team collaboration to further benefit the patient," said Brett Osborne, St. Luke's Director of Rehab Services.

A completely remodeled Inpatient Oncology and Hospice Inpatient Unit opened in November. Along with a modernized look, the \$1.1 million renovation included an expanded space for infusion therapy, all-private inpatient rooms, enhanced handicap accessibility and an improved setting for care.

"I can't begin to tell you how much this whole project means to us. We poured our hearts into it," St. Luke's Oncology Operations Leader Hillary Nelson said. "It allows us to show patients and families all the ways we care

through the newly added touches. Everyone involved has done an incredible job."

St. Luke's Hospital's Diagnostic Imaging Department also was remodeled in December. The PET/CT scanner and two ultrasound rooms were moved to the hospital from St. Luke's Lakeview Building. A new radiographic room was added, enabling the consolidation of two rooms into one, and a staff entrance was created to eliminate the need for staff to pass through the patient waiting area.

The space now includes five ultrasound rooms for diagnostic exams and ultrasound-guided procedures, with dedicated areas for radiologic technologist program students, who are on site for clinical training. The department also upgraded to a 32-slice CT scanner.

"Our design efforts focused on our patients, providers, staff and students," said Scott Studden, St. Luke's Director of Diagnostic Imaging. "I believe all the changes we made align with our Mission: The Patient. Above all Else."

The success of these projects shows our commitment to providing exceptional patient care and continuously improving our facilities. We look forward to the continued success of the Health Forward Initiative in the coming years.

Certifications / Recognitions



Advanced Orthopedic Center of Excellence

St. Luke's is honored to be the first hospital in Minnesota to earn DNV's Advanced Orthopedic Center of Excellence designation. This achievement affirms an St. Luke's excellence in providing diagnostic services, surgical services and therapies related to orthopedic care. To become a DNV Advanced Orthopedic Center of Excellence, a hospital must achieve advanced certification in at least three advanced orthopedic programs.



mPINC Survey Perfect Score

St. Luke's earned a perfect score of 100 on the 2020 CDC Maternity Practices in Infant Nutrition and Care (mPINC) survey for the second consecutive time. The mPINC survey is a national survey of newborn feeding practices in hospitals in the United States and territories that provided maternity services in the past year. The average score for this survey is 81.



Top Inpatient eCQM Performer

St. Luke's is honored to be recognized as a Top Inpatient eCQM (electronic clinical quality measures) performer by Medisolv, Inc. on three measures. St. Luke's was recognized for its efforts on discharge of antithrombotic therapy, exclusive breastmilk feeding and elective delivery for the first three quarters of 2021.



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 trauma centers must meet criteria that ensure trauma care capability and institutional performance.



Healogics Center of Distinction and President's Circle

St. Luke's Advanced Wound Care & Hyperbaric Center was recognized with a President's Circle award and named a Center of Distinction by Healogics. These recognitions were earned by hitting high quality benchmarks. Exceptional clinical outcomes were achieved for 12 consecutive months, including a patient satisfaction rate of 97% and a wound healing rate of 85%. The prestigious President's Circle award is only given to a Center of Distinction with outstanding performance. St. Luke's was one of only 25 centers in the U.S. to earn the honor.

Certifications / Recognitions



Clinical Training Sites of Excellence

In 2022, St. Luke's Pharmacy was honored as one of the 2021 University of Minnesota Office of Academic Clinical Affairs (OACA) Clinical Training Sites of Excellence. The University of Minnesota's health science leaders nominate clinical partners they feel go above and beyond in their support of learners.



Silver Patient Experience Award of Excellence

In 2022, St. Luke's was honored to have earned a 2021 Silver Patient Experience Award of Excellence from Humana. This award was given because St. Luke's provider groups who are contracted with Humana earned an 84.96% or higher patient experience rating.



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

St. Luke's was honored to earn three national awards from the American Heart Association (AHA). St. Luke's earned the awards for commitment to and success in implementing specific quality improvement measures and research-based guidelines outlined by the AHA for the treatment of patients.

- Mission: Lifeline Gold Plus Receiving Center Quality Achievement Award for STEMI
- Mission: Lifeline NSTEMI Gold Quality Achievement Award
- Get with the Guidelines Stroke Gold Plus Targeting Type 2 Diabetes Honor Roll Award



St. Luke's Honored with National Recognition as a High Performing Hospital for Hip Fracture, Knee Replacement and Stroke

St. Luke's was honored to rank as a high performing hospital for hip fracture, knee replacement and stroke procedures by U.S. News & World Report for 2022-2023. These awards are the highest award a hospital can earn for U.S. News' Best Hospitals Procedures & Conditions ratings. They recognize that St. Luke's care for hip fracture, knee replacement and stroke procedures is significantly better than the national average, as measured by factors such as patient outcomes, patient experience and how successfully a health system helps patients get back home.



Home Health Honors Elite

St. Luke's Home Care was named a 2022 Home Health Honors Elite recipient by HEALTHCAREfirst. The prestigious annual review recognizes agencies that continuously provide a positive patient experience and high-quality care as measured from the patient's point of view. The award acknowledges the highest achieving agencies by analyzing performance in 19 areas from April 2021 through March 2022.

2022 Board of Directors

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Nyasha Spears, MD

Phil Strom

2022 Executive Team

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

Katherine Becker
Vice President of Corporate Compliance

Michael Boeselager
Vice President of Support Services

Theresa Hannu
Vice President, Chief Nursing Officer

Chris Johnson
Vice President, Strategy & Finance

Greg Ruberg
*President/CEO, Lake View &
Vice President, St. Luke's*

Kim Terhaar
Vice President, Ambulatory Care

2022 Medical Staff Organization

Andrea Benson, MD
Chief of Staff

Jennifer Boyle, MD
Chief of Staff Elect

Timothy Kleinschmidt, MD
Immediate Past Chief of Staff

Jennifer Witt, MD
Secretary

2022 Medical Department Chairs

Rachel Gordon, MD
Medicine

Heather Buchholz, MD
Dermatology

Jake Powell, MD
Hospital Medicine

Mark Eginton, MD
Surgery

David Fogarty, MD
Orthopedics

David Hutchinson, MD
Family Medicine

Elisabeth Revoir, MD
OB-GYN

Kevin Morgan, MD
Pediatrics

2022 Summary of Revenues (in thousands)

Patient Services Revenue	\$1,324,579
Deductions from Revenue:	
Contractual/Other	\$789,971
Patient Financial Assistance	\$3,438
Bad Debt	\$7,421
Other Revenue	\$36,315
Total Revenues Received	\$560,063

2022 Summary of Revenue Uses (in thousands)

Salaries/Benefits	\$311,676
Depreciation & Interest	\$23,752
Other Operating Expenses & Reinvestment	\$224,635
Total Revenue Uses	\$560,063

St. Luke's Foundation (in thousands)

Donations	\$1,770
Assets	\$11,828
Grants	\$1,183

Included in the consolidated St. Luke's organizational values above.

2022 Statistical Highlights

Admissions	10,290
Births	770
Patient Days	58,062
Emergency/Urgent Care Visits	53,236
Outpatient Registrations	166,887
Number of Surgeries	9,922
Home Health/Hospice Visits	28,511
Clinic Visits	679,809

2022 Community

Employees	3,006
Employed Physicians and Advanced Practice Clinicians	298
Providers Welcomed in 2022	20
Specialties	60+
Volunteers	96

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.