

ST. LUKE'S ANNUAL REPORT 2007



MEETING THE NEEDS OF A GROWING REGION

THE PATIENT. ABOVE ALL ELSE.



## MESSAGE TO OUR COMMUNITY

From our earliest days, putting the patient first has always been at the heart of how we provide care and service at St. Luke's. That commitment was strengthened in 2007 by adapting our mission statement to reflect that promise:  
*The patient above all else.*

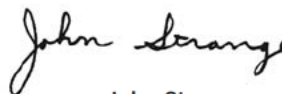
In 2007, we demonstrated this commitment to our patients by continuing our efforts to enhance patient safety and making decisions that affect our environment today and for the future. The 2007 Accomplishments section of this report reflects how we have brought that commitment to life.

St. Luke's 2007 marketing theme, "More than a Hospital. We're St. Luke's," reflects how St. Luke's continues to expand beyond the walls of 915 East First Street and inpatient hospital care to serve the needs of our region. The impact of our effort is demonstrated by our 34 family medicine and specialty care clinics.

**The patient above all else.**  
Our mission. Our goal.  
Our responsibility.



Steven Scignoli  
Board Chair



John Strange  
President and CEO

### Mission

*The patient above all else.*

### Values

*The patient comes first.  
Quality is our expectation.*

*People make it happen.  
Everyone is treated with respect.*



## 2007 ACCOMPLISHMENTS

### State of Minnesota designates St. Luke's as Level II Trauma Center

The State of Minnesota Department of Health formalized a statewide trauma system in 2007 and designated St. Luke's as a Level II Trauma Hospital. A leader in trauma care since 1975 when St. Luke's developed the region's first organized trauma program, it has been a federally designated regional trauma center since 1981 and was one of the first programs in the state to be verified by the American College of Surgeons as a Level II Trauma Center in 1990.

### Luke's One acquires new helicopter

Luke's One updated its air medical helicopter in 2007. This helicopter has the ability to travel farther without refueling and allows St. Luke's to continue to respond to medical emergencies with a state-of-the-art flying intensive care unit. With a top speed of 173 miles per hour, Luke's One transports critically ill or injured patients throughout northeastern Minnesota, northwestern Wisconsin and the Upper Peninsula of Michigan.



### St. Luke's in the national spotlight

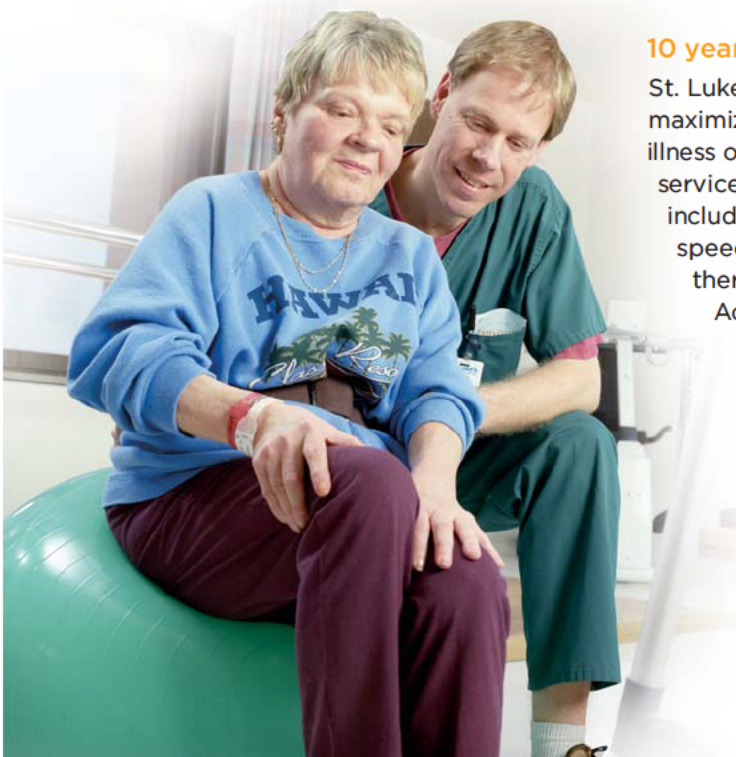
The Discovery Health Channel's Mystery Diagnosis series featured St. Luke's physicians and staff in an episode called "The Deadly Sore Throat" that delved into a young woman's near-death experience. Mysterious symptoms were researched and diagnosed by St. Luke's physicians as a rare condition called Lemierre's disease. A Mystery Diagnosis film crew came to St. Luke's to reenact events—from St. Luke's Emergency Department to diagnostic procedures to brain surgery and a stay in the ICU—which all helped set the patient on the path to a successful, full recovery.

### 10 years of helping people regain life

St. Luke's Acute Rehab Unit celebrated 10 years of helping people maximize their ability to perform activities of daily living following illness or injury. Since 1996, more than 2,500 patients have received services from an inpatient team of rehabilitation specialists, including physiatrists, physical therapists, occupational therapists, speech and language therapists, respiratory and recreational therapists, social workers, dietitians and others. St. Luke's Acute Rehab Unit is accredited by CARF (Commission on Accreditation of Rehabilitation Facilities).

### Lab accreditations demonstrate excellence

Laboratories at Chequamegon Clinic, Denfeld Medical Clinic and Bay Area Medical Clinic were re-accredited in 2007 by COLA, a national laboratory accreditation organization whose purpose is to make sure that hospital and clinic-based laboratories are in compliance with strict standards set forth by the Joint Commission and the Centers for Medicare and Medicaid Services (CMS). Accreditation is for a two-year period.



## 2007 ACCOMPLISHMENTS

### 500 heart surgeries and still beating strong

St. Luke's Cardiothoracic Surgery Associates performed its 500th heart surgery at St. Luke's in 2007.



### Expanding primary care services

P.S. Rudie and Associates announced it would join St. Luke's in February 2008 as P.S. Rudie Medical Clinic. St. Luke's now has nine family medicine clinics throughout our region.

### Nighttime docs added

St. Luke's began a nocturnist service at the hospital. Sherrie Erickson, MD, and Charles Wolfe, MD, admit patients and provide on-site physician coverage of inpatients throughout the night for St. Luke's Internal Medicine Associates and St. Luke's Duluth Internal Medicine Associates.

### New treatment for swallowing difficulties

St. Luke's Physical Rehabilitation Services began offering a new treatment for patients with dysphagia (swallowing difficulties) using neuromuscular electrical stimulation (NMES). This technology is designed to strengthen muscles that assist in swallowing.

### Health check-ins from home

St. Luke's Home Care and Hospice Duluth® became the first hospital-based home care program in Duluth to offer home telemonitoring to patients. Using a state-of-the-art monitoring system, physicians and nurses are able to closely track a patient's vital signs and related information on a daily basis.

### Babies break record

The Birthing Center celebrated 102 new lives in May 2007, breaking a 25-year record of babies born at the hospital in one month.

### Emergency Department enhancements

Securing the safety of patients and providing a consumer-friendly experience was the foundation of new enhancements implemented in St. Luke's Emergency Department, including the addition of a family liaison who is available 24/7 to answer questions, offer assistance and provide information. New security measures that limit access to the Emergency Department treatment area for the safety and privacy of our patients were also put into place.



## 2007 ACCOMPLISHMENTS



### Expanding services to children

Physical therapy, occupational therapy and speech therapy services were expanded to include services specific to the needs of children. In addition, specialized treatment is provided for children who have autism/PDD (pervasive developmental disorder), attention deficit hyperactivity disorder (ADHD), attention deficit disorder (ADD), sensory disorders, cerebral palsy, developmental delays, neurological disorders, hearing loss and other conditions. Treatment is also available for children who use speech-generating devices (augmentative communication).

### Clean air for patients and employees

As a part of St. Luke's mission to promote and ensure health, the hospital and all clinic properties became tobacco-free inside and out.

### Weight management services expanded

In an effort to provide people with realistic weight management options, St. Luke's began offering weight management care with the assistance of gastric bypass surgery, Lap-Band® surgery and more.

### Staying healthy just got a whole lot easier

In partnership with Cub Foods, plans began in 2007 for Q Care, St. Luke's Express Clinic, which opened in March 2008. Located next to the Cub Pharmacy in Duluth, Q Care is an express medical clinic that provides people of all ages access to convenient, walk-in care for minor health concerns.

### Deli delights added

Z's Deli, a delicious tradition in Duluth since 1988, opened a satellite location next to St. Luke's Gift Shop for employees and visitors.

### Environmentally responsible food system recognized

St. Luke's, in partnership with the Institute for a Sustainable Future, was honored with a 2007 Governor's Partnership Award for Excellence in Waste and Pollution Prevention. This annual award honors superior environmental achievement in the state of Minnesota. The award was in recognition of the Healthy Food In Healthcare Project.

### The gift of life

St. Luke's was one of 16 hospitals in Minnesota and North Dakota that received the prestigious Medal of Honor Award from LifeSource, the non-profit organization dedicated to saving lives through organ and tissue donation in the Upper Midwest. The award was presented to St. Luke's for achieving the federal government's goal to have 75 percent of families approached about organ donation agree to the donation.



## NEW PHYSICIANS



**Aga Bednarz, MD**  
*St. Luke's  
Gastroenterology  
Associates*



**Andrea Hustad Benson, MD**  
*St. Luke's Anesthesia  
Associates*



**Krisa Christian, MD**  
*St. Luke's Duluth  
Internal Medicine  
Associates*



**Brent Crabtree, MD**  
*St. Luke's Emergency  
Department*



**Sherrie Erickson, MD**  
*St. Luke's  
Internal Medicine  
Associates*



**JeRay Johnson, MD**  
*St. Luke's  
Pulmonary Medicine  
Associates*



**Waseem Khan, MD**  
*St. Luke's  
Rheumatology  
Associates*



**Jay Lenz, MD**  
*St. Luke's Pavilion  
Surgical Associates*



**Gregory Medis, MD**  
*St. Luke's  
Oncology & Hematology  
Associates*



**Heather Winesett, MD**  
*St. Luke's  
Pediatric  
Associates*

## BOARD OF DIRECTORS, MAY 2007-2008

Gail Baldwin, MD  
Ray Christensen, MD  
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Steven Scignoli, *Chair*  
Peter Stephenson  
Bill Ulland, *Treasurer*  
Robert Ulland

## EXECUTIVE TEAM

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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*

## 2007 MEDICAL STAFF ORGANIZATION

Ann Rock, MD, *Chief of Staff*  
Nancy English, MD, *Chief of Staff Elect*  
George Schaenzer, MD, *Immediate Past Chief of Staff*  
Stephen Hadley, MD, *Secretary*  
Gary Peterson, MD, *Medical Director*

## 2007 MEDICAL DEPARTMENT CHAIRS

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

## MEDICAL & SURGICAL SERVICES

Acute Renal Dialysis  
Allergy and Immunology  
Anesthesiology  
Bariatric Program (*Weight Loss Surgery*)  
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  
Orthopaedic Surgery  
Otolaryngology  
Pathology  
Pediatrics  
Physical Medicine and Rehabilitation  
Plastic Surgery  
Podiatry  
Pulmonary Medicine  
Radiation Oncology  
Radiology  
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  
Electrophysiology  
Endoscopic Vein Harvesting  
Endoscopy/Proctoscopy/Colonoscopy  
EECP® (*Enhanced External Counterpulsation*)  
Guided Imagery  
Hand Therapy  
Infusion Therapy  
IMRT (*Intensity Modulated Radiation Therapy*)  
Laboratory  
Lithotripsy  
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  
Vision Rehabilitation Program  
VNUS Closure for Varicose Veins

EECP is a registered trademark of Vasomedical, Inc.

## COMMUNITY & REGIONAL SERVICES

Childbirth Education  
Child Car Seat Safety Clinics (*Partners: Duluth Fire Department; 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  
Heart Partners  
Home Health Care  
Home Telemonitoring  
Hospice Duluth®  
I Can Cope  
Injury Prevention Programs (*TraumaRoo, EN CARE, Think First*)  
Kids Can Cope  
Luke's One Air Medical Transport  
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  
St. Luke's Osteoporosis Program

Speaker's Bureau  
Support Groups  
Weight Control Program  
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 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, but urgent, injuries and illnesses.

Four 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.



## 2007 FINANCIAL REPORT

### Summary of Revenues (in thousands)

Revenues from Patients/Others .....	\$595,989
Deductions from Revenues .....	\$314,694
Total Revenues Received .....	\$281,295

### Summary of Revenue Uses (in thousands)

Salaries and Benefits .....	\$164,199
Interest .....	\$4,293
Other Operating Expenses .....	\$102,440
Capital Equipment Purchases and Debt Repayment.....	\$10,363
Total Revenue Uses .....	\$281,295

### 2007 Statistical Highlights

Admissions .....	12,440
Births .....	1,035
Patient Days .....	52,574
Emergency/Urgent Care Visits .....	58,069
Outpatient Registrations .....	143,221
Occupancy Percentage .....	53.9%
Number of Surgeries .....	9,373
Home Health and Hospice Visits .....	16,671
Clinic Visits .....	391,311