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.

Mission
The patient above all else.

Values
The patient comes first. Quality is our expectation. People make it happen. Everyone is treated with respect.

Steven Scrignoli
Board Chair

John Strange
President and CEO
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

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.

Expanding primary care services

Nighttime docs added

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.
**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.

**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.

**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.

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**Lap-Band® is a registered trademark of Allergan, Inc.**
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

JeRay Johnson, MD
St. Luke’s Pulmonary Medicine Associates

Sherrie Erickson, MD
St. Luke’s Internal 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
Patrick Contardo
Mark Emmel
Susan Goltz, MD
Melinda Machones, Vice Chair
Debra Messer
Dale Moe, Secretary
Kathleen Nelson, EdD
Del Prevost
Steven Scrignoli, Chair
Peter Stephenson
Bill Ulland, Treasurer
Robert Ulland

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John Strange, President and CEO
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; WDO-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
Lakes Region 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

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 Dulyth 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 Pavillion 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
Duluth 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