To Our Community

State-of-the-art humanity. This phrase succinctly describes the essence of St. Luke's mission—The patient above all else. With this blending of technology and compassion, we worked hard to put our patients first in 2009.

St. Luke’s had a year of growth, continued process improvement and an unparalleled work ethic—all toward the goal of meeting patient needs.

For our patients’ convenience and to ensure access to services, St. Luke’s worked on several construction projects throughout the year. Construction began on three new clinic facilities in 2009.

In December, Laurentian Medical Clinic moved to a beautiful new building in Mountain Iron, after sharing space for 10 years on the Virginia Regional Medical Center campus. We are pleased to now offer physical therapy, lab and radiology services right at this new clinic. Lester River Medical Clinic, St. Luke’s newest addition to our primary care clinic family, will welcome patients to its brand-new building conveniently located on the eastern edge of Duluth in 2010. And, P.S. Rudie Medical Clinic outgrew the space it has occupied in the Medical Arts Building for over 80 years, and patients and staff alike will enjoy its location just four blocks away in the new Wieland Building.

In addition to new construction, St. Luke’s also spent 2009 building on excellence. St. Luke’s strives to exceed our patients’ expectations, which is why we have embraced Lean Healthcare, a process improvement program conducted at St. Luke’s in partnership with Lake Superior College. Lean helps us look at how we do things through the eyes of our patients. Read more about some Lean initiatives that have already made a difference further on in this report.

The biggest challenge in 2009, however, was a tiny flu bug that tested our resources like never before. When the H1N1 pandemic took hold, St. Luke’s amazing staff demonstrated an unshakable commitment to the community. Through uncertainty as to the scope and severity of the pandemic, our staff steadfastly provided patients with the best care possible.

Growing. Building on excellence. Meeting challenges.

Putting the patient above all else. Every patient. Every day.

Sincerely,

John Strange
President and CEO

Melinda Machones
Board Chair
MISSION STATEMENT

The patient above all else.

ORGANIZATIONAL VALUES

These values provide the foundation of our culture as we pursue our mission and vision:

The patient comes first.

Quality is our expectation.

People make it happen.

Everyone is treated with respect.
Going Lean

Since the fall of 2007, St. Luke’s has been on a mission to elevate The patient above all else to a whole new level. Through a partnership with Lake Superior College and a grant from the Minnesota Job Skills Partnership, St. Luke’s launched a process improvement initiative called Lean Healthcare, which helps organizations examine their work processes from the patient or customer perspective.

“The driving force behind choosing the Lean Healthcare model was the similarity in philosophies and goals,” says Linda Basara, St. Luke’s Director of Education and internal Lean trainer. “At St. Luke’s, we are dedicated to putting the patient above all else, Lean Healthcare is dedicated to creating the ideal state for the patient.”

Cross-functional teams, made up of staff from many different departments, attend a series of practical, dynamic classes led by a Lean trainer. Over the course of several months, team members learn the Lean system, identify process inefficiencies within a department, and apply the tools to redesign and improve a specific work process. The curriculum also strengthens “people” skills, important to team building, leading change and conflict management. According to Basara, feedback from participants has been extremely positive.

Following the principles of Lean, groups spend time in direct observation before attempting to fix a problem, a step that helps people develop a keen understanding of how things are currently being done.

“What makes the observation tool so effective is Lean’s cross-functional team approach,” Basara says. “If you want to improve a specific departmental process, it’s helpful to have a fresh perspective from employees who work outside of that area.” Seen through the eyes of physical therapists, trauma nurses, lab techs and others, it’s much easier to identify the inefficiencies in that particular work process. Processes that have benefited from Lean include tube feeding, bedside shift reporting, Medicare claim processing and medication administration.

By the end of 2010, a total of 200 St. Luke’s staff will have been trained in the program. According to Basara, Lean is already becoming a part of the culture, common language and mindset. “Lean is no longer a task on our collective to-do list—it’s what we do,” she says. “It’s a journey without an end.”

“Lean is no longer a task on our collective to-do list—it’s what we do.”
2009 Accomplishments

X-STOP® Technology at St. Luke’s Neurosurgery Associates
St. Luke’s Neurosurgery Associates adopted the X-STOP® Interspinous Process Decompression (X-STOP IPD) system, a new technology that treats leg, buttocks, groin and back pain caused by lumbar spinal stenosis. With the addition of the X-STOP IPD, many patients can experience relief without undergoing invasive surgery.

St. Luke’s Receives 2009 Medal of Honor for Organ Donation
St. Luke’s received a 2009 Medal of Honor for Organ Donation from the U.S. Department of Health and Human Services for success in encouraging organ donation. This is the third year St. Luke’s has received this honor.

St. Luke’s Home Care Receives Five Star Excellence Award
St. Luke’s Home Care received a Five Star Excellence Award for patient satisfaction from Professional Research Consultants (PRC). The award recognizes St. Luke’s Home Care for scoring in the top 10 percent nationally in “Excellent” responses for Overall Quality of Care.

Blue Cross Blue Shield of Minnesota Recognizes St. Luke’s as a Center of Distinction for Cardiac Care
Blue Cross Blue Shield of Minnesota has designated St. Luke’s as a Blue Distinction Center for Cardiac Care based on the quality of services, patient volume and clinical outcomes. As a Blue Distinction Center, St. Luke’s is included on the organization’s website as one of 13 cardiac care centers in Minnesota to receive this recognition.

Joint Commission Publication Highlights St. Luke’s
The Joint Commission’s publication on influenza vaccination highlights St. Luke’s successful efforts to vaccinate employees. The report, Providing a Safer Environment for Health Care Personnel and Patients through Influenza Vaccination: Strategies from Research and Practice, recognizes St. Luke’s strong support from administration and physicians, easy access to the vaccine, an organization-wide team approach, and the expectation that health care workers obtain flu shots for the well-being of their patients, themselves and their families.
2009 Accomplishments

Vitamin D Research Published
David Arvold, MD, St. Luke’s Internal Medicine Associates, led a research study on vitamin D deficiency. The project report, entitled *Correlation of Symptoms With Vitamin D Deficiency and Symptom Response to Cholecalciferol Treatment: A Randomized Controlled Trial*, was published in 2009 in *Endocrine Practice* (2009;15(3):203-212). Partners in this study were St. Luke’s Internal Medicine Associates, St. Luke’s Endocrinology Associates, Whiteside Institute for Clinical Research, University of Minnesota Medical School Duluth and the Department of Mathematics and Statistics at the University of Minnesota Duluth.

Chequamegon Clinic Lab Receives COLA Commendation
Chequamegon Clinic was honored with the Laboratory Excellence Award from COLA, the highest commendation given by the national health care accreditation organization. In addition, the Chequamegon Clinic laboratory received reaccreditation as a result of its long-term commitment to providing quality service.

Nursing Units Implement Bedside Shift Reporting
St. Luke’s began rolling out bedside shift reporting, a national concept shown to increase patient satisfaction, improve patient outcomes and enhance teamwork. Using this approach, the handoff communication between nurses takes place in the patient’s room, providing better patient care and increasing staff efficiency.

Professionally Assisted Customized Exercise (PACE) Program
St. Luke’s medical fitness center launched the Professionally Assisted Customized Exercise (PACE) program for independently functioning adults with pacemakers, peripheral artery disease, heart failure, diabetes, osteoporosis, depression, post-cancer recovery needs, weight management goals and other chronic medical conditions.

Rooftop Garden Receives Media Attention
St. Luke’s rooftop vegetable garden, part of a long-term goal to include homegrown vegetables in patient and cafeteria meal offerings, caught the attention of two environmentally focused organizations: the HealthCare Environmental Awareness and Resource Reduction Team (HEARRT) and the Renewing the Countryside Project. To read about the rooftop garden, visit http://communityofaplate09.wordpress.com.
2009 Accomplishments (continued)

A Matter of Balance Fall Prevention Program
A Matter of Balance, a nationwide fall prevention program, was introduced at St. Luke’s to help prevent falls among older adults with a history or fear of falls or anyone concerned about falls. The program offers practical ways to manage falls and increase activity levels, strength, flexibility and balance.

St. Luke’s Pharmacy Offers Medication Management Services
St. Luke’s Pharmacy launched Medication Therapy Management (MTM), a new service for employees and their covered dependents. The goal of MTM is to help participants get the best results for their medical condition by following a personalized drug therapy plan.

Breast-Specific Gamma Imaging at St. Luke’s Breast Center
St. Luke’s Breast Center introduced Breast-Specific Gamma Imaging (BSGI), an advanced approach to diagnosing benign and malignant masses. The BSGI apparatus, developed by Dilon Technologies, can detect early stage cancers and has the potential to reduce the number of unnecessary biopsies.

St. Luke’s Achieves Gold Performance Hospital for Heart Failure
As part of its Get with the Guidelines—Heart Failure Recognition Program, the American Heart Association (AHA) honored St. Luke’s with a Gold Performance Hospital for Heart Failure award for the treatment of cardiac and stroke patients. St. Luke’s was featured in US News and World Report’s “America’s Best Hospitals” issue and will be honored at the AHA’s 2010 Scientific Sessions in Chicago. St. Luke’s is the first hospital in Minnesota to achieve this status.
Laurentian Medical Clinic Moves to New Facility
Laurentian Medical Clinic relocated to a brand-new facility in Mountain Iron, expanding its family medicine services to include laboratory, physical and occupational therapy, and radiology.

Big Red Bookshelf at St. Luke’s Pediatric Associates
St. Luke’s Pediatric Associates is now home to Big Red Bookshelf, part of an early childhood literacy effort coordinated by the United Way’s Early Literacy Coalition. The brightly colored shelves are placed at key locations throughout the community, giving children and parents access to free new and gently used books. St. Luke’s Big Red Bookshelf was created by Duluth Skyline Rotary and is filled with books donated by Barnes & Noble Booksellers, Holiday Book Drive, Lake Superior Magazine and Congdon Park Foundation. The bookshelf is maintained by the Duluth Noon Optimist Club.

Hibbing Family Medical Clinic Receives Reaccreditation
Hibbing Family Medical Clinic received reaccreditation from the American College of Radiology for achieving high practice standards for mammography service. Evaluations were conducted by board-certified physicians and medical physicists and were based on the qualifications of the staff and quality of facility equipment.

P.S. Rudie Lab Receives Accreditation
P.S. Rudie Medical Clinic received Laboratory Accreditation by COLA, a national health care accreditation organization. Accreditation is given only to labs that apply rigid standards of quality in day-to-day operations, demonstrate continued accuracy in performance of proficiency testing, and pass a rigorous on-site laboratory survey.
New Physicians

Many new physicians joined the St. Luke’s team in 2009, expanding our services and increasing access to expert medical care throughout our region.

Derrick Aipoalani, DO  
St. Luke’s Endocrinology  
Associates

Daniel Billman, MD  
St. Luke’s Pediatric  
Associates

Andrew Broadmoore, MD  
Dankfeld Medical Clinic

Wade Kubat, DO  
St. Luke’s Plastic Surgery  
Associates

Deborah Kyes, MD  
St. Luke’s Duluth  
Internal Medicine Associates

Diane McCaffrey, MD  
St. Luke’s Anesthesia  
Associates

Disha Mookherjee, MD  
St. Luke’s Cardiology  
Associates

Thomas Opheim, MD  
St. Luke’s Internal Medicine  
Associates

Gratia Pitcher, MD  
St. Luke’s Internal Medicine  
Associates

Nate Schoeppach, MD  
Chequamegon Clinic

Brett Shepard, MD, PhD  
St. Luke’s Infectious Disease  
Associates

Porur Somasundaram, MD  
St. Luke’s Cardiology  
Associates

Anne Sullivan, MD  
St. Luke’s Orthopedics

Kara Underwood, MD  
Mount Royal Medical Clinic

John Watkins, MD  
St. Luke’s Orthopedics

Marshall Watson, MD  
St. Luke’s Neurosurgery  
Associates
Leadership

BOARD OF DIRECTORS
MAY 2009-MAY 2010
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Marlene David
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Kathleen Nelson, EdD
Del Prevost
Brian Ryks
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Kristi Stokes
Bill Ulland

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Vice President of Clinics

Ron Franzen
Vice President of Support Services

Jo Ann Hoag
Vice President of Network Development
Chief Nursing Officer

James Wueellner
Vice President of Finance
Chief Financial Officer

Gary Peterson, MD
Vice President of Medical Affairs
Chief Medical Officer

2009 MEDICAL STAFF ORGANIZATION
Mark A. Monte, MD
Chief of Staff

Paul Sanford, MD
Chief of Staff Elect

Stephen Hadley, MD
Secretary

Gary Peterson, MD
Chief Medical Officer

2009 MEDICAL DEPARTMENT CHAIRS
Brian Bergeron, MD
Emergency Medicine

Mary Boylan, MD
Surgery

David Kirby, MD
Family Medicine

Timothy Kleinschmidt, MD
Medicine

Maria Kundel, MD
Pediatrics

Elisabeth Revoir, MD
OB/GYN

Tracy Tomac, MD
Psychiatry

Brian Carlson
Vice President and CEO
of Lake View Memorial Hospital in Two Harbors

ANNUAL REPORT 2009

St.Luke's
# Services

## Medical & Surgical Services
- Acute Renal Dialysis
- Allergy and Immunology
- Anesthesiology
- 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
- Radiology
- Rheumatology
- Sports Medicine
- Urology
- Vascular Surgery
- VATS (Video Assisted Thoracoscopic Surgery)
- Weight Loss Essentials (Medical and Surgical)

## Diagnostic & Therapeutic Services
- Anticoagulation Clinic
- Biofeedback/Neurofeedback
- Breast Center
- Capsule Endoscopy
- Cardiac Angioplasty
- Cardiac Diagnostics
- Cardiac Rehabilitation
- Chemotherapy
- Coronary CT (Computed Tomography)
  - Angiography
- CT (Computed Tomography) Scanning
- 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
- Lymphedema Services
- Mammography (Digital and BSGI)
- Mental Health
- MRI (Magnetic Resonance Imaging)
- Neurological Screening/Diagnostics
- Neuromuscular Electrical Stimulation (NMES)
- Nutrition Counseling
- Occupational Therapy (Adult and Pediatric)
- Osteoporosis Screening
  - (DEXA Scan and Heel Ultrasound)
- Ostomy/Continence/Wound Care
- Pain Management
- PET (Positron Emission Tomography) Imaging
- Pharmacy
- Physical Therapy (Adult and Pediatric)
- Psychological Services
- Pulmonary Rehabilitation
- Radiation Therapy
- Radio-Frequency Ablation
- Radiology
DIAGNOSTIC & THERAPEUTIC SERVICES (continued)
Rehabilitation (Inpatient and Outpatient)
Respiratory Therapy
Saebø Rehabilitation
    (for stroke/neurological injury)
Sleep Disorders Center
Speech Therapy (Adult and Pediatric)
Stereotactic Radiosurgery
Stroke Program
TMJ Services
Ultrasound
Vascular Services
Vestibular Rehabilitation Therapy
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 and Northland’s NewsCenter)
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 Driving Evaluation and Training Program
St. Luke’s International Travel Health Center
St. Luke’s Plastic Surgery Associates
Speaker’s Bureau
Support Groups
Whiteside Institute for Clinical Research

FAMILY MEDICINE
Bay Area Medical Clinic, Silver Bay, MN
Chequamegon Clinic, Ashland, WI
Denzel Medical Clinic, Duluth, MN
Hibbing Family Medical Clinic, Hibbing, MN
Laurentian Medical Clinic, Mountain Iron, MN
Lester River Medical Clinic, Duluth, 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
SERIAL 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, but urgent, injuries and illnesses.

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

SUMMARY OF REVENUES (in thousands)
Revenues from Patients/Others ................................................................. $646,104
Deductions from Revenues ...................................................................... $344,361
Total Revenues Received ...................................................................... $301,743

SUMMARY OF REVENUE USES (in thousands)
Salaries and Benefits ........................................................................... $178,969
Interest .................................................................................................. $3,946
Other Operating Expenses .................................................................. $102,104
Capital Equipment Purchases and Debt Repayment ......................... $16,724
Total Revenue Uses ........................................................................... $301,743

2009 STATISTICAL HIGHLIGHTS
Admissions ......................................................................................... 12,582
Births .................................................................................................. 1,024
Patient Days ..................................................................................... 49,518
Emergency/Urgent Care Visits ......................................................... 61,504
Outpatient Registrations ................................................................... 159,000
Occupancy Percentage ...................................................................... 50.8%
Number of Surgeries .......................................................................... 9,995
Home Health and Hospice Visits ..................................................... 17,274
Clinic Visits ....................................................................................... 438,914