



# Caring for Tomorrow

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St. Luke's Annual Report 2019

THE PATIENT. ABOVE ALL ELSE.®



“Through the decades, we’ve built a robust independent healthcare system with a focus on our patients, and on benefiting those around us.”

2019 was a year of transition for St. Luke’s – a transition of our electronic medical record, leadership, finances and facilities—and who would have thought as December came to a close that in a few short months our world would experience the seismic shift of a global pandemic. Though this is a new and confusing time, it’s something that St. Luke’s has weathered before, going all the way back to when our organization was founded in 1881 in response to a typhoid epidemic.

From those humble beginnings, St. Luke’s has been honored to care for our community here in the Northland. Through the decades, we’ve built a robust independent healthcare system with a focus on our patients, and on benefiting those around us. In 2019 alone, St. Luke’s provided \$102.6 million in community benefits, which includes charity care, efforts to improve mental wellness and combat domestic violence, and supporting community-building activities.

Now, as we work through a global pandemic, the future of healthcare can seem as murky as ever, and yet it provides us with the opportunity to focus our efforts on what matters most: our patients. It’s because of them that we build adaptability, quality, care and safety into everything we do. We owe it to them. And it’s our Mission: The Patient. Above All Else.

On behalf of all of St. Luke’s, thank you for the privilege of caring for our region.

Sincerely,



Kevin Nokels  
President & CEO



Jeff Borling  
Board Chair

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Our Mission

# The Patient. Above All Else.

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Our Values

The patient comes first.

Quality is our expectation.

People make it happen.

Everyone is treated with respect.

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## 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 East 1st Street and 9th Avenue 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. November 18, 1881  
267 licensed beds, 18 bassinets



### Lake View Hospital, Two Harbors, MN

Est. July 1957, Critical Access Hospital  
25 licensed beds



### St. Luke's Foundation, Duluth, MN

A 501(c)3 organization that provides innovative support to advance compassionate patient care, research and community health.

### Medical Group:

449 physicians and advanced practice clinicians



12 primary care clinics



7 urgent care clinics



30 specialty clinics



3 Q Care express clinics



2 pharmacies



eCare online clinic



3 Regional Centers: Trauma, Heart & Vascular, Cancer

## Building for the Future



### St. Luke's Health Forward Initiative

In April 2019, St. Luke's broke ground on the final part of Phase I of St. Luke's Health Forward Initiative, which will bring improved access to emergency care to our community by late summer 2020.

Part of a three-phase plan to redevelop St. Luke's campus, enhance the care provided and continue as an anchor facility in the community, this project will help ensure greater access to not just health care, but the services and businesses that improve the lives and livelihoods of our neighbors. In addition to a variety of new specialized treatment and evaluation spaces, the Emergency Department will nearly triple in size, offering patients improved wait times, private rooms, and improved access to care for whatever type of emergency they're experiencing.

Through an expanded Emergency Department, Cardiac Cath Labs, cardiac rehab spaces and other imaging and ancillary services, in new spaces designed to bring emergency services together, this project will increase St. Luke's ability to provide timely, high-quality care when patients need it most.



### Expansion of Lake View in Two Harbors

In May 2019, Lake View in Two Harbors broke ground on a \$15 million project that will connect the Hospital to Lake View Medical Clinic and Lake View Pharmacy. Once complete, this new facility will allow for a new specialty care outreach space, expanded lab, urgent care, procedural care services and an expanded inpatient pharmacy to support infusion therapy services.

This exciting addition will also include a new community gathering space that can be used for health education, wellness activities, meetings for area organizations, leadership development and more. The space will hold up to 90 people.

This expansion allows Lake View to grow in a way that meets the needs of our patients and staff while giving them a more modern setting with convenient access to primary, specialty, emergency and walk-in care. Lake View is excited to be investing in the health of the community.

## Innovation to Improve Patient Outcomes



### St. Luke's Offers Minimally Invasive Treatment Option for Patients with Heart Problems

In November 2019, St. Luke's performed its first Transcatheter Aortic Valve Replacement (TAVR) procedure. This procedure allows patients to receive a valve replacement through less-invasive means than a traditional open-heart surgery. This will enable a wider group of patients to receive the treatment they need.

"For some, open heart surgery isn't the best option," explained Dr. Scott Mikesell, St. Luke's Cardiology Associates. "This is especially true for elderly patients who tend to be sicker or have other significant health problems. For these patients, TAVR is a much better option because of its less-invasive nature."

One of those patients is Larry Dagele. Ten years after his first open heart surgery, Larry's cardiovascular health was again declining. After breaking his hip in a fainting spell, Larry's hip was replaced and Dr. Scott Mikesell with St. Luke's Cardiology Associates set out to investigate the root cause of his fainting. One of Larry's heart valves needed to be replaced. Having previously undergone a heart bypass surgery, another open heart surgery would put his health at significant risk. Fortunately, St. Luke's offers TAVR.

The day after his procedure, Larry was able to go home. Compared to his open heart surgery, Larry thought the TAVR procedure was a walk in the park. "This was nothing," he said. "It was just like having an angiogram. There wasn't even any real pain to it."

Now, Larry is able to do all the things he loves once again. "He's done wonderfully well," Dr. Mikesell said. "He's been telling our team that he's got a new lease on life. Cases like Larry's are one of the most rewarding parts of my job."

Larry couldn't be happier. "Before, I couldn't do much at all," he said. "I couldn't even make it up and down the stairs without stopping half way. Now I'm feeling much better. I can actually do the things I want to."

It is a tremendous achievement to be able to offer this procedure to our patients at St. Luke's. Each case involves a supremely talented and dedicated team in St. Luke's state-of-the-art hybrid operating rooms. These minimally invasive procedures make a huge difference for patients who otherwise might not be able to get the care they need. St. Luke's is excited for the future and growth of the program as it matures.

## Additional Highlights from 2019



### One Patient, One Record – Launch of MEDITECH Expanse

In June 2019, St. Luke's launched a new electronic medical record, Meditech Expanse, unifying our record systems between the clinics and hospital to provide one system, and one record. The move to Expanse enabled St. Luke's to connect patient information throughout the continuum of care, providing clinicians a complete view of the patient for enhanced care and quality outcomes. Providers are now able to access the complete patient story and share data throughout St. Luke's two hospitals and 44 clinics. As part of our transition to Meditech Expanse, St. Luke's and Lake View also launched a new Patient Portal, St. Luke's myCare. This portal allows patients to use one portal to access their clinic and hospital medical health information.



### Domestic Violence Task Force

After losing a colleague to domestic violence in June, 2019, the St. Luke's community was determined to take action. The Domestic Violence Task Force began as a small group, gathering to grieve and work towards ensuring that what happened to their friend and colleague would never happen in their community again. In the time since, the Task Force has created comprehensive education for employees, revamped the intake process for patients so anyone who feels unsafe at home can find help and safety at St. Luke's, and spearheaded collaborative efforts with 17 area schools to educate the next generation on the dangers of domestic violence through curriculum funded by St. Luke's Foundation. After such tragic loss, the Domestic Violence Task Force is working to make a positive change for those affected by domestic violence.



**WILDERNESS  
HEALTH**

Partners advancing rural health

### Wilderness Health Invests in the Community

Wilderness Health continued to work with all 10 health system members, including St. Luke's, to improve and advance patient care outcomes. In 2019, Wilderness Health funded 15 grants, equivalent to \$1,283,792 in additional resources invested across 8 of its 10 member organizations. Thirteen of the grants funded Population Health/Care Coordination positions and two addressed Mental Health Stigma Education in communities.

One of the initiatives funded at St. Luke's was the Healthy Mom Safe Baby Program, in which a care coordinator partners with pregnant women affected by substance abuse to decrease prenatal exposure to substances, help those moms become as healthy as they can be and create safe homes. In addition, Wilderness Health received shared savings from the 2018 Integrated Health Partnership contract (Minnesota Medicaid ACO) and distributed over \$921,000 back to members.



### **Comprehensive Breast Program Launched**

St. Luke's was pleased to celebrate the launch of St. Luke's Comprehensive Breast Program in October during Breast Cancer Awareness month. This program expedites access to care for women with breast health concerns by bringing together a comprehensive team of specialists. This team works with patients to provide collaborative care, shorten the timeframe for diagnosis, communicate results as quickly as possible, and help the patient navigate through St. Luke's system.

Creating this program has enabled St. Luke's to speed up the process and get women the care they need as quickly as possible, while providing the comfort that comes with having someone help them along every step of the way.



### **More Capacity for Complex Surgeries**

St. Luke's added a second da Vinci Surgical System, which lets physicians perform highly intricate procedures with less post-operative pain, fewer complications, decreased blood loss and shorter recovery periods. By expanding capacity with a second unit, St. Luke's is able to bring those benefits to more patients and apply those techniques to more surgeries.

## Recent Certifications



### DNV-GL NIAHO Accreditation

St. Luke's successfully achieved Centers for Medicare & Medicaid Services (CMS) recertification through DNV-GL NIAHO accreditation from DNV GL – Healthcare. By earning accreditation, St. Luke's demonstrated that it meets or exceeds patient safety standards set by the U.S. CMS.

### ISO 9001 Certification

ISO 9001 is the internationally recognized standard for Quality Management Systems (QMS). It is the most widely used QMS standard in the world, with over 1.1 million certificates issued to organizations in 178 countries. DNV GL's accreditation program is the only one to integrate the ISO 9001 Quality Management System with the Medicare Conditions of Participation.



### Primary Stroke Center (PSC) Certification and Center of Excellence

This certification is for medium/larger capacity hospitals that admit most patients treated in their facilities, and that also serve as receiving hospitals for patients treated in Acute Stroke Ready (ASR) facilities. A Primary Stroke Center (PSC) has the necessary staffing, infrastructure, and programs to stabilize and treat most emergent stroke patients. In addition to possessing the capabilities of an ASR facility, a PSC can provide treatment to a broader range of stroke conditions, and is able to provide some acute therapies and admit the patients to a designated stroke unit or to beds specifically assigned for stroke care.

### Hip & Knee Replacement Program Certification and Center of Excellence

The Hip & Knee Replacement Program Certification (HKRPC) integrates requirements related to the CMS Conditions of Participation for hospitals (CoPs). HKRPCs are designed to recognize excellence in orthopedic surgery within the scope of Hip and Knee Replacement and related procedures. The certification means that a hospital has demonstrated compliance with the DNV GL Healthcare standard and adherence to guidelines of the American Academy of Orthopaedic Surgeons.



### American Heart Association's Mission: Lifeline® STEMI Gold Plus award and NSTEMI award for treating heart attacks

St. Luke's earned the American Heart Association's (AHA) Mission: Lifeline® STEMI Gold Plus award and NSTEMI award for treating heart attacks. The awards were presented in recognition of St. Luke's commitment to and success in implementing specific quality improvement measures outlined by the AHA for the treatment of patients who suffer severe heart attacks.

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## 2019 Board of Directors

Kevin Beardsley  
*Treasurer*

Jeff Borling  
*Chair*

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Edwin King Hall

Barbara Hayden Haugen  
*Vice Chair*

Patrick Heffernan

Ex-officio: Timothy Kleinschmidt, MD  
*Chief of Staff*

Amanda Imes

Herbert Minke

Brian Murphy

Mark Plachta, MD

Yvonne Prettner-Solon

Aimee VanStraaten, MD  
*Secretary*

Ruth Westra, DO

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## 2019 Executive Team

Kevin Nokels  
*President & CEO*

Eric Lohn  
*CFO*

Katherine Becker  
*Vice President of Corporate Compliance*

Michael Boeselager  
*Vice President of Support Services*

Sue Hamel  
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Gary Peterson, MD  
*CMO & Vice President of Medical Affairs*

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

Kimberlie Terhaar  
*Vice President of Ambulatory Care  
& Strategy*

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## Medical Staff Organization

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Timothy Kleinschmidt, MD  
*Chief of Staff*

Nicholas Van Deelen, MD  
*Chief of Staff Elect*

Mary Boylan, MD  
*Immediate Past Chief of Staff*

Jonathan F. Shultz, MD  
*Secretary*

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## Medical Department Chairs

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Jake R. Powell, MD  
*Medicine*

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*Surgery*

Nicholas J. Van Deelen, MD  
*Emergency Medicine*

Anne B. Whitworth, MD  
*Family Medicine*

Claire L. Mallof, MD  
*OB-GYN*

Amanda L. Webb, MD  
*Pediatrics*

Michalene Stevermer, DO  
*Psychiatry*

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## 2019 Summary of Revenues (in thousands)

Revenues include data from both  
St. Luke's and Lake View.

Patient Services Revenue	\$1,281,573
Deductions from Revenue:	
Contractual/Other	\$767,483
Patient Financial Assistance	\$3,828
Bad Debt	\$11,044
Other Revenue	\$27,526
Total Revenues Received	\$526,744

## 2019 Summary of Revenue Uses (in thousands)

Revenues include data from both  
St. Luke's and Lake View.

Salaries/Benefits	\$306,087
Depreciation & Interest	\$19,636
Other Operating Expenses & Reinvestment	\$200,984
Total Revenue Uses	\$526,744

## St. Luke's Foundation (in thousands)

Donations	\$1,128
Assets	\$11,270
Grants	\$766

# 2019 Statistical Highlights

*Statistics include data from both  
St. Luke's and Lake View.*

Admissions	12,518
Births	801
Patient Days	63,366
Emergency/Urgent Care Visits	76,312
Outpatient Registrations	167,985
Number of Surgeries	10,167
Home Health/Hospice Visits	32,648
Clinic Visits	700,479

# 2019 Community

*Statistics include data from both  
St. Luke's and Lake View.*

Employees	3,252
Medical Staff	959
Physicians and Advanced Practice Clinicians	463
Providers Welcomed in 2019	50
Specialties	60+
Volunteers	277