



# NORTHFIELD HOSPITAL & CLINICS



## *Annual Report 2014*



## Northfield Hospital & Clinics poised for growth

This past year – 2014 – was a year of investment for Northfield Hospital & Clinics. We devoted time, intellectual capital and some dollars to position the organization for an expansion of services and future growth.

Months of planning and design culminated last fall with groundbreaking for a \$6.8 million addition on the hospital's north side for an endoscopy center. The 9,000 square foot project will address growing demand for both our endoscopy practice and surgical services. It is being built on top of an additional 8,000 square feet of unfinished space that will be available for future growth. The project is expected to be completed in August of 2015.

We invested \$400,000 remodeling Family-Health Medical Clinic in Northfield to create additional exam rooms, new space for the call center and consultation rooms for referral specialists. It was completed in December.

We spent considerable time during the year reshaping our relationship with Mayo Clinic. In September, our Board of Directors approved an agreement that transferred employment of our primary care providers from Mayo Clinic Health System to Northfield Hospital & Clinics. Going forward, Mayo Clinic will concentrate on growing community specialty care in Northfield and our clinic communities. We see this as a win-win for the patients in our service area.

A new state-of-the-art MRI was purchased and installed in 2014. Its advanced technology and specialized software allows for more complex diagnostics, including breast MRIs, and more patient comfort. This machine is one of

the very few in the region that offers this level of patient-focused technology.

We have also been pleased to see the urgent care service we started in Lakeville in the fall of 2013 ramp up nicely and become an important health resource for the immediate Lakeville area and beyond.

So we are doing well. We continue to nurture our partnerships with a variety of premier providers to allow patients to receive high quality care locally. Because of our independent status, we have good working relationships with larger hospitals in the Twin Cities and Rochester to ensure you have choice should you need to be referred for more complex care.

Our community engagement remains high. We actively support HealthFinders as it addresses the medical needs of an uninsured and under-insured population. I am privileged to serve on a steering committee for Northfield Promise, a comprehensive youth development project. And we continue to work with both St. Olaf College and Carleton College to support their work with their student populations.

We are still adapting to new payment models that are beginning to reward value, meaning high quality care at a low cost. In an era of high-deductible insurance plans, we are responding to consumer requests for more price transparency.

All of this and we had a profitable year.

Thanks for your support. Together we can continue to develop the healthcare resources that address the needs specific to Northfield and our other clinic communities.



Northfield Hospital  
CEO and President  
Steve Underdahl

### Northfield Hospital Board of Directors 2014

Charlie Kyte  
*Chair*

James Schlichting  
*Vice Chair*

Charlie Austin

CC Linstroth

Michelle Muench, MD

Steve O'Neill

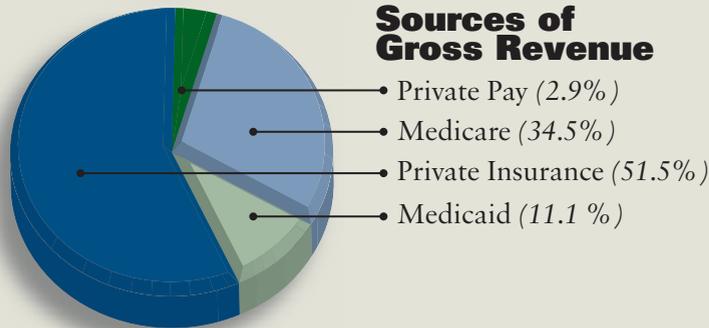
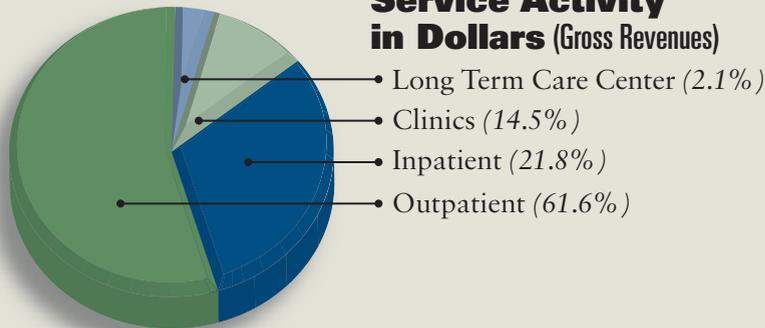
Brett Reese

Randy Reister, MD

Gina Franklin

## Northfield Hospital & Clinics Patient Trends - 2010-2014

	2010	2011	2012	2013	2014
Outpatient Visits	48,942	48,705	51,340	53,077	52,036
Inpatient Admissions					
Hospital	2,517	2,427	2,235	2,228	2,179
Long Term Care Center	59	100	88	88	89
Births	485	488	511	544	515
Surgeries	2,569	2,659	2,483	2,575	2,808
Medical Imaging Procedures	22,234	25,489	24,911	24,640	25,664
Emergency Department Visits	9,200	9,754	10,067	10,199	10,370
Ambulance Transports	2,602	2,525	2,704	2,683	2,809
Clinic Visits	65,125	67,075	68,001	68,025	72,432



### Northfield Hospital & Clinics Revenues 2014

Total Patient Revenue	\$184,457,734
Deductions from Revenue	\$98,768,518
Net Patient Revenue	\$85,689,216
EHR/Meaningful Use Payment	\$728,763
Other Revenue	\$2,646,533
<b>Total Net Revenue</b>	<b>\$89,064,512</b>

### Northfield Hospital & Clinics Expenses 2014

Employees Salaries & Benefits	\$42,743,275
Food, Drugs and Supplies	\$12,518,681
Purchased Services	\$15,180,120
Financing Costs	\$1,446,010
Depreciation, Amortization	\$4,437,661
Other	\$7,056,761
<b>Total Net Expenses</b>	<b>\$83,382,508</b>

### Northfield Hospital & Clinics Reinvestment

Funds Reinvested in Future Operations and Services	\$5,682,004
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## Northfield Hospital & Clinics Community Benefit Summary

### Community Benefits Reported in the Minnesota Hospital Association Report: "Minnesota Hospitals: Serving and Strengthening Our Communities"

	2012	2013	2014
<i>(Reported utilizing guidelines from the Minnesota Hospital Association)</i>			
Financial Assistance (Charity Care) .....	\$367,398	\$337,171	\$120,982
Costs in excess of Medicaid payments .....	\$1,685,471	\$2,294,521	\$2,172,234
Costs of other means-tested government programs .....	\$1,051,364	\$1,116,322	\$1,182,202
Community health improvement services and operations costs .....	\$426,053	\$456,337	\$473,049
Subsidized health services .....	\$1,940,412	\$1,853,628	\$2,044,260
Cash and in-kind contributions for community benefit .....	\$177,625	\$260,865	\$225,594
<b>Total cost of community benefits .....</b>	<b>\$5,648,323</b>	<b>\$6,318,844</b>	<b>\$6,218,321</b>
<b>Percentage of total operating budget .....</b>	<b>7.8%</b>	<b>8.0%</b>	<b>7.3%</b>

### Other Community Contributions

Community building .....	\$284,705	\$159,534	\$86,617
Other care provided without compensation (bad debt) .....	\$1,877,500	\$2,432,403	\$1,994,557
Costs in excess of Medicare payments .....	\$9,432,402	\$11,271,397	\$10,078,290
Discounts offered to uninsured patients .....	\$1,341,552	\$1,491,062	\$1,269,963
Taxes and fees .....	\$404,198	\$426,036	\$412,055
<b>Total value of community contributions .....</b>	<b>\$18,988,681</b>	<b>\$22,099,276</b>	<b>\$20,059,803</b>

### Support for Community Programs

Northfield United Way, Northfield Healthy Community Initiative, City of Northfield Summer Recreation Program, Youth Programs, Community Action Center, Northfield Food Shelf, Christmas Sharing, Northfield YMCA, HealthFinders, Meals-On-Wheels, Northfield Promise, Rice County Community Health Assessment, Restore, Renew, Replenish.

Economic Impact	2012	2013	2014
Wages and Benefits Paid	\$37.64 million	\$39.54 million	\$42.74 million
Goods and Services Purchased .....	\$27.03 million	\$29.26 million	\$32.14 million
Number of Employees .....	638	670	710

### Essential Services

*Services that meet emergency needs and/or might not be available if not provided by the hospital*

Emergency Department, Urgent Care, Ambulance Service,  
24-hour access to Diagnostic Imaging and Laboratory Services,  
Home Care, Hospice.

## Medical services grew during 2014

Northfield Hospital & Clinics had an excellent year recruiting primary care providers and adding specialists to its ranks.

On the primary care side, Alice Mann, MD, began seeing patients in Lakeville in January 2014; Ashley Gilland, MSN, FNP-BC, began seeing patients at FamilyHealth Medical Clinics in December. Because of our successful recruitment efforts in 2014, three other clinicians – Physician Assistant Carrie Gray (Northfield), Jeff Cunningham, MD, (Farmington), and Mark Mellstrom, MD, (Lakeville), joined our Family Medicine practice in 2015.

In the summer, general surgeon Katya Ericson, MD, joined Jose Fulco, MD, and Chris Nielsen, MD, in an established general surgery practice that provides around-the-clock surgical support for Northfield Hospital & Clinics. Dr. Ericson performs a full range of general surgery services, including colonoscopies, upper endoscopies and advanced laparoscopic procedures. She will see patients at FamilyHealth Medical Clinic and perform surgeries at Northfield Hospital.

Mayo Clinic specialists in pediatric allergies and pediatric pulmonology began seeing patients locally. Nancy Ott, MD, now sees allergy patients in our Lakeville FamilyHealth Medical Clinic. Paolo Pianosi, MD, sees pediatric pulmonology patients in Northfield.



**Mann**



**Gilland**



**Gray**



**Cunningham**



**Ericson**



**Ott**



**Pianosi**

## Northfield Hospital now offering room service dining

In 2014, Northfield Hospital initiated room service dining for its patients.

Patients at Northfield Hospital now have the option of ordering meals from a restaurant-style menu anytime between 7 a.m. and 6 p.m. Hot, freshly-prepared food is delivered to their rooms within 45 minutes.

Elizabeth Berry, director of Nutrition Services at Northfield Hospital & Clinics, says room service din-

ing puts patients' needs first and honors individual circumstances and preferences.

The program provides a more patient-centered experience and represents hospitals efforts to address patient satisfaction. Patients are able to choose from a wide variety of items and not be bound by standard meal times. Specially trained Nutrition Services personnel assist patients with menu selections to ensure meals comply with physician diet orders.



## **Our Mission**

Provide exceptional healthcare to the communities we serve.

## **Our Services**

Northfield Hospital • Northfield Hospital Long Term Care Center  
First Touch Birth Center • Breast Care Center  
Cancer Care & Infusion Center • Sleep Center

Center for Sports Medicine & Rehabilitation – Northfield and Lakeville  
Children’s Therapy & Speech • Northfield Home Care & Hospice  
Emergency Medical Services

FamilyHealth Medical Clinic – Northfield  
FamilyHealth Medical Clinic – Lonsdale  
FamilyHealth Medical Clinic – Farmington  
FamilyHealth Medical Clinic – Lakeville  
FamilyHealth Medical Clinic – Elko New Market  
Northfield Eye Physicians & Surgeons  
Orthopaedic & Fracture Clinic of Northfield  
Urgent Care Lakeville • Women’s Health Center



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& CLINICS

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